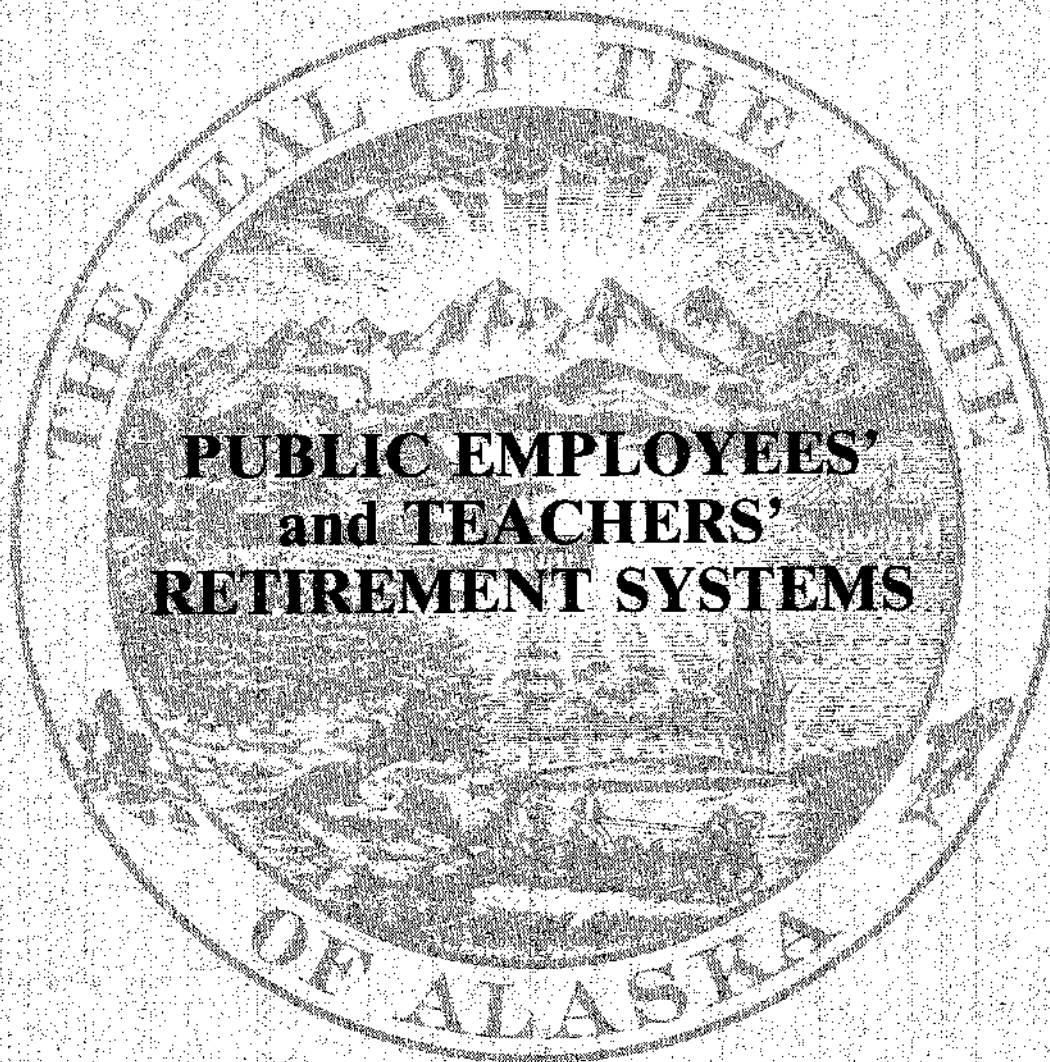


CARL
Petersen.

STATE OF ALASKA



PUBLIC EMPLOYEES' and TEACHERS' RETIREMENT SYSTEMS

BILL SHEFFIELD

Governor

ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 1982

STATE OF ALASKA
PUBLIC EMPLOYEES' RETIREMENT FUND
TEACHERS' RETIREMENT FUND
Fiscal Year 1982

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1. The first part of the paper discusses the importance of the study and the objectives of the research.

2. The second part of the paper discusses the methodology used in the study.

3. The third part of the paper discusses the results of the study and the conclusions drawn from the data.

4. The fourth part of the paper discusses the implications of the study and the future research.

5. The fifth part of the paper discusses the limitations of the study and the strengths of the research.

6. The sixth part of the paper discusses the contributions of the study to the field of research.

7. The seventh part of the paper discusses the practical applications of the study and the policy implications.

8. The eighth part of the paper discusses the overall findings of the study and the final conclusions.

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

Bill Sheffield, Governor

POUCH C
JUNEAU, ALASKA 99811
PHONE: (907) 465-2200

December 15, 1982

The Honorable Bill Sheffield
Governor of Alaska
Pouch A
Juneau, AK 99811

Dear Governor Sheffield:

It is my pleasure to submit to you the Annual Report of the Alaska Public Employees' Retirement System (PERS) and Teachers' Retirement System (TRS). This report shows the financial condition of both the PERS and TRS funds as of June 30, 1982. It has been prepared on the basis of standards set forth by the National Council on Governmental Accounting and is submitted in accordance with the requirements of Alaska Statutes 39.35.020(5) (PERS) and 14.25.030(4) (TRS).

Yours sincerely,



Lisa Rudd
Commissioner

LR/dm

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

DIVISION OF RETIREMENT & BENEFITS

POUCH CR

JUNEAU, ALASKA 99811

Public Employees' Retirement System
Teachers' Retirement System
Judicial Retirement System
Elected Public Officers Retirement System
National Guard Retirement System
Territorial Retirement System
Retirees' Voluntary Dental-Vision-Audio Plan
Supplemental Benefits System
Group Health/Life Insurance Benefits
Deferred Compensation Plan
Public Employees Social Security Contributions

Bill Sheffield, Governor
Ph: (907) 465-4460

December 13, 1982

Commissioner Lisa Rudd
Department of Administration
Pouch C
Juneau, AK 99811

Dear Commissioner Rudd:

I am pleased to submit to you the Annual Report of the Public Employees' (PERS) and Teachers' (TRS) Retirement Systems. The information presented in this report shows the results of operations and the financial condition of the two retirement funds for the fiscal year ending June 30, 1982. The financial statements in this report are presented on the accrual basis of accounting in accordance with the Financial Accounting Standards Board, Standard No. 35. Prior to fiscal year 1980, the statements were prepared on the cash basis of accounting.

The report contains the financial statements and audit report from the C.P.A. firm of Price Waterhouse and excerpts from the most recent available actuarial valuations prepared by the systems' actuary, William M. Mercer. Also included are the fiscal year investment comments from the Division of Treasury, Department of Revenue, which is charged with the management of the retirement funds.

Assets of the PERS fund totalled \$609,103,807 as of June 30, 1982, an increase of 23.5 percent over the previous year. Assets of the TRS fund totalled \$443,528,571 as of June 30, 1982, an increase of 18.8 percent over the previous year. Combined assets now exceed \$1 billion. The graphs presented on pages 33-34 (PERS) and pages 57-58 (TRS) demonstrate the increases in total assets and benefits paid in recent years. Additional information for the fiscal years ending June 30, 1980, through June 30, 1982, is provided in the following table:

	FY 1982		FY 1981		FY 1980	
	PERS	TRS	PERS	TRS	PERS	TRS
Number of participating employers	90	61	87	61	83	61

	FY 1982		FY 1981		FY 1980	
	PERS	TRS	PERS	TRS	PERS	TRS
Number of participating members	23,318	7,822	21,565	7,437	19,313	7,217
Number of retired members	3,075	1,485	2,767	1,380	2,445	1,245
Average Annual Retirement Benefit	\$ 7,825	\$14,274	\$ 7,123	\$13,343	\$ 6,565	\$12,489
Average Annual Medical Benefit	\$ 1,097	\$ 1,133	\$ 1,118	\$ 1,152	\$ 705	\$ 734

The fall 1981 meetings of the PERS and TRS Boards were held in Anchorage and the spring 1982 meetings were held in Juneau. The actuary presented the valuations at the spring meetings and recommended new actuarial assumptions which were approved by the Boards to be effective July 1, 1983. The Boards also approved new employer contribution rates.

As you know, a major piece of legislation (Chap. 137, SLA 1982) affecting both the PERS and the TRS passed during the 1982 legislative session. The new law created joint and survivor retirement options and pre and post retirement death benefits in the TRS similar to those which currently exist in the PERS, established a PERS/TRS Disability Review Board, amended the PERS/TRS refund provisions, improved conditional service retirement benefits under the PERS and TRS, and expanded the voluntary Dental-Vision-Audio (DVA) insurance program for benefit recipients. During the 1983 legislative session we hope to see legislation which will place the granting of post retirement pension adjustments (PRPA) to PERS and TRS benefit recipients on an actuarially funded basis.

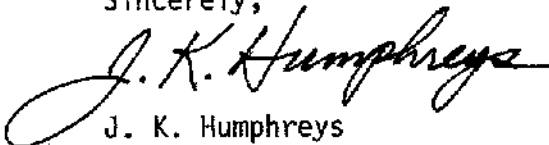
The TRS project that began in June 1981 to correct the computerized TRS employment history data is complete and the statements of Credited Service for the reporting period ending June 30, 1982, have been mailed.

The development of a Combined Retirement data processing system was delayed when the contractor responsible for this project went out of business before the detail design was completed. In spite of these events, we are proceeding with the development of this system and

December 13, 1982

looking forward to providing better service to our members and employers. This report will be mailed to all employer members of the Public Employees' and Teachers' Retirement Systems. Needless to say, the cooperation of member employers is essential to the successful operation of the systems.

Sincerely,


J. K. Humphreys
Director

JKH/dm
109D1/1021-2

STATE OF ALASKA

DEPARTMENT OF REVENUE

TREASURY DIVISION

BILL SHEFFIELD, GOVERNOR

ELEVENTH FLOOR
STATE OFFICE BUILDING
POUCH 58
JUNEAU, ALASKA 99811
PHONE:

December 6, 1982

To the Reader:

The U. S. economy is unlikely to experience any significant growth this year, and a decline in real GNP is a distinct possibility. Entire industries and sections of the country are severely depressed. The steel industry recently has been operating at levels as low as 36.7% of capacity, the lowest level since 1933. The nonferrous metals industries are in similar straits. The automobile industry in October 1982 produced cars at an annual rate of only 4.2 million or less than half of what it was during Detroit's most prosperous days. At the end of that month, dealer inventories of new cars amounted to a 70 day supply. Although 10.9% financing is currently spurring sales of 1982 models, consumption this quarter will come mostly out of inventories, not out of new production.

Another factor affecting the economy has been the severe unemployment situation. In November, unemployment soared to 10.8%. The number of jobs lost since the summer of 1981 now exceeds the 2.3 million lost in the severe recession of 1974-75. Since unemployment normally continues to rise during the early stages of economic recovery, the worst has probably not yet been seen on this front.

Most economists now expect economic recovery to begin late this winter and expect GNP to advance a modest 2% to 3% in 1983. However, something stronger than a gradual economic upturn is necessary to overcome contractionary forces and achieve sustainable economic recovery. Ultimately the Federal Reserve Bank is likely to provide the basis for such a recovery through lower interest rates and monetary and credit expansion. Recent actions and statements of the Federal Reserve Bank, together with the high level of unemployment and financial risk in the economy suggest that the Federal Reserve Bank's new primary objective is to establish a sustainable economic recovery.

A modest economic recovery of the magnitude of 2% to 3% would not even dent the current unemployment situation. A solid U. S. recovery is also essential to permit less developed countries' commodity based exports to recover. Failure of commodity prices to recover could lead to a major contraction of international trade since less developed countries are important markets for developed countries products. In addition, should commodity prices fail to recover, some countries might find their external U. S. dollar denominated debt so onerous as to be tempted to repudiate it. Repudiation could have a devastating impact worldwide on the capital structure of banks. Claims on sovereign governments are tenuous at best. Henry Wallich, a member of the Board of Governors of the Federal Reserve System, has likened these claims to "a claim on the smile of the Cheshire Cat." A good sustainable

To the Reader

December 6, 1982

recovery is also necessary to salvage many manufacturing concerns, a number of them in the \$1 billion or larger category, from teetering over the edge into bankruptcy. A series of major domestic bankruptcies could create such a collapse of confidence worldwide that no amount of lowering of interest rates would have an appreciable effect.

Although the Federal Reserve Bank will probably continue to lower interest rates over the near term, ever widening budget deficits and the vast federal borrowing needs must be a source of serious concern. A number of economists are now projecting deficits as high as \$184 billion in federal fiscal year 1983 and \$200 billion in FY 1984. Which means the federal government, both directly and indirectly, is absorbing an ever increasing proportion of national savings. On the other hand, a rapid deceleration of inflation has just occurred this year, producing real rates of interest in excess of 5 1/2%.

As a result, longer term fixed income investments have once again begun to look attractive; and while inflation is not completely dead, it appears unlikely to return to double digit levels anytime soon. Because of this development, the retirement system portfolios have recently begun to cautiously extend the maturity of their fixed income investments. The Treasury Division believes this course of action, at yields of 10 1/2% and above, is a prudent one for the foreseeable future. Any investment policy must, of course, be under constant review as economic conditions change--which they seem to do with incredible rapidity these days.

Realized rates of return for fiscal year 1982, based upon average balances available for investment, ranged from a positive 11.5 percent in fixed-income marketable securities and mortgages to a negative 10 percent in common stock for both retirement systems.

Sincerely,



Peter A. Bushre
Deputy Commissioner/Treasury

STATE OF ALASKA
RETIREMENT FUNDS
Combined Balance Sheet
June 30, 1982

<u>Assets</u>	<u>Total</u>	<u>Public Employees' Retirement Fund</u>	<u>Teachers' Retirement Fund</u>
Cash	\$ 810,118	\$ 250,341	\$ 559,777
Certificates of Deposit & Other Short Term Investments	163,096,904	96,026,876	67,070,028
Investment Securities:			
United States Government	282,599,548	180,794,073	101,805,475
Other	34,953,041	19,030,438	15,922,603
Gold	40,526,495	22,102,446	18,424,049
Common Stock	88,739,860	44,617,702	44,122,158
Convertible Stock	750,000	375,000	375,000
Real Estate Mortgages & SBA Loans in Alaska	357,753,763	201,544,162	156,209,601
Real Estate Equity Fund	61,325,199	33,873,337	27,451,862
Contributions Receivable	12,017,405	3,789,908	8,227,497
Accrued Investment Income	11,988,187	7,557,311	4,430,876
Other Receivables	200,000	100,000	100,000
 Total Assets	 \$1,054,760,520	 \$610,061,594	 \$444,698,926
 <u>Liabilities</u>			
Accrued Expenses	\$ 2,128,142	\$ 957,787	\$ 1,170,355
 Net Assets	 <u>\$1,052,632,378</u>	 <u>\$ 609,103,807</u>	 <u>\$443,528,571</u>
 <u>Equities and Reserves</u>			
Equities:			
Employees' equities	\$ 274,774,077	\$ 126,140,005	\$148,634,072
Employers' equities	416,059,478	266,066,295	149,993,183
 Total Equities	 \$ 690,833,555	 \$ 392,206,300	 \$298,627,255
Retirement Reserve	361,798,823	216,897,507	144,901,316
 Total Equities & Reserves	 <u>\$1,052,632,378</u>	 <u>\$ 609,103,807</u>	 <u>\$443,528,571</u>

STATE OF ALASKA

PUBLIC EMPLOYEES'
RETIREMENT
FUND

BOARD MEMBERS

<u>Name</u>	<u>Term Expires</u>
C. R. "Steve" Hafling, Chairman	July 20, 1984
Marian Carlson	December 14, 1984
Ronald M. Henry	June 20, 1988
Morgan W. Reed	June 20, 1986
James P. Wellington	October 26, 1983



301 WEST BENSON BOULEVARD
ANCHORAGE, ALASKA 99503
907-279-1424

September 30, 1982

Mr. J. K. Humphreys, Director
Division of Retirement and Benefits
Alaska Public Employees' Retirement System

In our opinion, the accompanying statements of net assets available for benefits and changes in net assets available for benefits, present fairly the financial position of the Alaska Public Employees' Retirement System at June 30, 1982 and its changes in net assets available for benefits for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Our examination of these statements was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. The financial statements of the Alaska Public Employees' Retirement System for the year ended June 30, 1981 were examined by other independent accountants whose report dated October 8, 1981, expressed an unqualified opinion on those statements.

Price Waterhouse

ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

JUNE 30, 1982 AND 1981

<u>ASSETS</u>	<u>1982</u>	<u>1981</u>
Cash	\$ 250,341	\$ 622,857
Certificates of deposit and other short-term investments, at market value (cost - \$94,887,777 and \$70,984,412)	96,026,876	73,100,031
Investment securities:		
United States securities, at market value (cost - \$215,411,950 and \$151,232,735)	180,794,073	125,739,277
Other bonds, notes and debentures, at market value (cost - \$30,435,120 and \$33,266,058)	19,030,438	22,275,133
Gold committed on futures contracts, at market value (cost - \$25,055,480 and \$25,055,480)	22,102,446	23,670,137
Common stocks, at market value (cost - \$47,177,075 and \$47,642,393)	44,617,702	50,622,697
Convertible stock, at market value (cost - \$533,880 and \$533,880)	375,000	461,625
Real estate equity fund, at market value (cost - \$32,217,518 and \$23,250,000)	33,873,337	24,694,605
Real estate mortgages and Small Business Administration loans, at cost	201,544,162	162,506,066
Contributions receivable	3,789,908	2,784,106
Investment income receivable	7,557,311	7,420,898
Other receivables	100,000	
Purchased interest		213,803
	<u>610,061,594</u>	<u>494,111,235</u>

LIABILITIES

Accrued expenses	<u>957,787</u>	<u>1,035,795</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$609,103,807</u>	<u>\$493,075,440</u>

See accompanying notes to financial statements

ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

YEARS ENDED JUNE 30, 1982 AND 1981

	<u>1982</u>	<u>1981</u>
Net assets available for benefits, Beginning of year	<u>\$493,075,440</u>	<u>\$402,125,897</u>
Unrealized decrease in market value of investments held at year end, net	<u>(16,725,262)</u>	<u>(23,940,261)</u>
Additions:		
Employee contributions	28,918,210	24,321,437
Employer contributions	88,332,287	71,832,706
Investment income	51,408,749	50,366,085
Interest on members' indebtedness	<u>348,312</u>	<u>267,258</u>
	<u>169,007,558</u>	<u>146,787,486</u>
Deductions:		
Medical benefits	3,375,646	3,093,546
Retirement benefits paid	24,062,537	19,710,414
Refunds to terminated members	7,204,790	7,802,013
Administrative expenses	<u>1,610,956</u>	<u>1,291,709</u>
	<u>36,253,929</u>	<u>31,897,682</u>
NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR	<u>\$609,103,807</u>	<u>\$493,075,440</u>

See accompanying notes to financial statements

ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1982 AND 1981

NOTE 1 - ACCOUNTING ENTITY:

The Alaska Public Employees' Retirement System is a joint-contributory system created by Alaska statutes effective January 1, 1961. The System was established to encourage qualified personnel to enter and remain in the service of the State, political subdivision or public organization of the State. Inclusion in the System is a condition of employment for State of Alaska employees except as otherwise provided for an elected officer. A municipality or other political subdivision of the State may request to become an employer in this system. The Alaska Public Employees' Retirement System - Statutes, July 1, 1981 pamphlet details the benefits available and the eligibility requirements. Some of the more significant provisions are as follows:

Employee Contributions -

Contributions from employees is controlled by statute. Peace officers and firemen contribute 5% of their compensation. The contributions are deducted from the members' salary and remitted to the System by the employer. All other employees contribute 4 1/4% of their compensation. Any employee may voluntarily contribute up to an additional 5% of their compensation. The contributions are deducted from the members' salary and remitted to the system by the employer.

Employer Contributions -

Employer contributions are determined by actuarial formula on an annual basis. Current formulas are estimated to be sufficient to fund current service costs and to fund past service cost for a period of 25 years.

Types of Benefits -

The types of benefits provided to members include normal retirement benefits, disability pension benefits, cost of living allowance, major medical insurance benefits, death benefits, and other benefits. In addition, members may withdraw their contributions, plus accrued interest, with the consent of the administrator or upon termination of eligible employment.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting -

The System maintains its accounting records on the cash basis of accounting with conversion to accrual for financial statement presentation.

Investments -

Security investments, other than real estate mortgages and Small Business Administration loans, are carried at market value to reflect the asset values of the System as determined by the last quoted sales price at June 30, 1982 and 1981. Investment income consists of interest, dividends and gain or losses generated by the sale of investments.

The investment in gold committed on future contracts consists of 40,867.368 fine troy ounces which have been hedged through three gold bullion sales contract agreements as follows:

<u>Amount of Fine Troy Ounces</u>	<u>Average Cost of Gold</u>	<u>Settlement Date</u>	<u>Price at Settlement Date</u>
17,441.990	\$661	2/21/84	\$690
18,007.728	\$601	3/5/84	\$660
5,417.650	\$497	6/29/84	\$500

The investment is currently valued assuming forward sales contracts are covered by purchase of additional gold; the profit therefrom offset by any loss on disposal of the then unhedged gold. Any gains and losses are discounted to net present value utilizing a rate of a United States Treasury investment with a maturity approximately equal to the term of settlement date.

Real estate mortgages and Small Business Administration loans are stated at cost. The policy of the System is to hold these investments until maturity and accordingly no market value has been determined.

Contributions Receivable -

Contributions receivable from employees and contributions from employers for service through June 30, 1982 are accrued. These contributions are considered fully collectible and accordingly no allowance for doubtful accounts is considered necessary.

Investment Income Receivable -

Investment income receivable represents amounts earned but not yet received as of June 30, 1982 and 1981. These amounts are considered fully collectible and accordingly no allowance for uncollectible receivables is considered necessary.

NOTE 3 - ACTUARIAL DETERMINATION:

The System's consulting actuary, William M. Mercer, Incorporated, estimated the present value of accrued benefits to be \$600,736,308 at June 30, 1981.

Contributions to the System are based upon recommendations from the actuary utilizing the actuarial cost method described below.

Significant assumptions underlying the June 30, 1981 determinations are as follows:

Actuarial cost method	Attained age normal, unfunded accrued benefit liability amortized over 25 years.
Mortality basis	1971 Group Annuity Mortality Table.
Retirement age	The earlier of age 62 and 15 years of service, but not prior to age 57 for "other" members. Police and fire members are assumed to retire at the earlier of 22 years of service or attainment of age 55.
Interest rate	Eight percent per annum, compounded annually, net of investment expenses.
Salary scale	Eight percent per annum for the first five years of employment and 7% per year thereafter.
Cost of living adjustment (Domiciled in Alaska)	Sixty percent of those receiving benefits will be eligible to receive the cost of living adjustment.
Contribution refunds	One hundred percent of those terminating after age 35 with five or more years of service will leave their contributions and thereby retain their deferred vested benefits. All others who terminate are assumed to have their contributions refunded.
Asset valuation	Three year average ratio between market and cost values of the System's assets.

Turnover and disability assumptions are based upon actual historical occurrence rates of the System.

NOTE 4 - CONVERSION TO ACCRUAL ACCOUNTING AND MARKET VALUATION OF CERTAIN SECURITIES:

The effects of the accrual and market adjustments are as follows:

	<u>1982</u>	<u>1981</u>
Net assets available for benefits, cash basis at June 30	\$646,760,209	\$516,079,896
Adjustments to reflect conversion to accrual basis of accounting:		
Amortization of discount	753,095	
Accrued contributions receivable	3,789,908	2,784,106
Accrued investment income	7,657,311	7,420,898
Accrued refunds payable and certain other expenses	(957,787)	(1,035,795)
Adjustments to reflect change in market value of marketable securities and gold	<u>(48,898,929)</u>	<u>(32,173,665)</u>
Net assets available for benefits at June 30, as presented in the accompanying financial statements	<u>\$609,103,807</u>	<u>\$493,075,440</u>

NOTE 5 - STATEMENT OF FINANCIAL ACCOUNTING STANDARDS NO. 59:

The Financial Accounting Standards Board has issued Statement No. 59, "Deferral of the Effective Date of Certain Accounting Requirements for Pension Plans of State and Local Governmental Units". This statement delays the effective date of Statement No. 35, "Accounting and Reporting by Defined Benefit Pension Plans" until fiscal year 1983 for this system. The effect of complying with Statement No. 35 would be to present all assets at fair value. It is the present policy of the System to present all investments at market value except real estate loans and mortgages which are presented at cost.

NOTE 6 - CONTINGENT LIABILITIES:

The Alaska Public Employees' Retirement System (System) is a defendant in an action by past and present employees of the Department of Fish and Game challenging the regulation which implements peace officers' coverage under the System for qualified employees of the Department of Fish and Game. Additionally, the plaintiffs seek declaratory relief that they are not obligated to make additional contributions for past service rendered before July 1, 1976 for which they contributed as regular members but received credit as peace officers. The State Office of the

Attorney General has answered the complaint. However, the potential impact of an unfavorable outcome, if any, is not determinable at this time.

The System is also a party to an action challenging the State's practice of making actuarial adjustments in early retirement calculation factors. The State Office of the Attorney General has as yet not responded to the complaint and accordingly the case has not progressed to the point where the potential impact of an unfavorable outcome, if any, can be determined.

Benefit Services / Consulting Actuaries

SUMMARY

We have completed a valuation of the Alaska Public Employees' Retirement System as of June 30, 1981. The principal results of the actuarial valuation are presented in this summary and analysis; the three sections which follow are meant to provide the necessary supporting details.

Section 1 presents the fundamental information on which the valuation was based. Included is a summary of plan provisions, information about plan participants, and disclosure of the actuarial method and assumptions used.

Section 2 presents the detailed actuarial valuation results for State and all political subdivisions which are in PERS. Its subsections present a step-by-step derivation of the recommended contribution.

Section 3 presents the detailed valuation results for the State alone.

The purposes of an actuarial valuation are:

1. To examine the status of funding of the Plan, and
2. To determine the contribution rates for the State
for each political subdivision in the System.

The most significant results of the valuation are as follows:

	<u>1-1-80</u>	<u>6-30-81</u>
(1) Status of Funding		
(a) Valuation Assets	\$338,895,336	\$493,130,953
(b) Present Value of Accrued Benefits	475,285,952	600,736,308
(c) Accrued Benefit Funding Ratio	71.30%	82.1%
(2) Contributions For Fiscal Year	<u>1983</u>	<u>1984</u>
(a) Consolidated Rate	11.46%	12.03%
(b) Average Past Service Rate	2.32%	1.65%
(c) Average Total Contribution Rate	13.78%	13.68%

In preparing this valuation, we have employed generally accepted actuarial methods and assumptions, in conjunction with employee data provided to us, to determine a sound value for the Plan liabilities. I certify that, to the best of my knowledge and belief, the attached statements are true and correct.

Respectfully submitted,



Robert F. Richardson, ASA
Principal

RFR:js

April 2, 1982

1.6 ACTUARIAL METHOD AND ASSUMPTIONS

Valuation of Liabilities

- A. Actuarial Method - Attained Age Normal, also known as Aggregate Method with Supplemental Liability. The unfunded accrued benefit liability is amortized over 25 years.
- B. Actuarial Assumptions -
1. Interest 8% per year, compounded annually, net of investment expenses.
 2. Salary Scale 8% per year for the first 5 years of employment and 7% per year thereafter.
 3. Health Cost Inflation 8% per year.
 4. Mortality 1971 Group Annuity Mortality Table.
 5. Turnover Based upon the 1980-81 actual total turnover experience. (See Table 1).
 6. Disability Incidence rates in accordance with Table 2. Post-disability mortality in accordance with rates published by the Pension Benefit Guaranty Corporation to reflect mortality of those receiving disability benefits under Social Security. 94% of the disabilities are assumed to be occupational for police and fire; 28% for others.
 7. Retirement Age The earlier of age 62 and 15 years of service, but not prior to age 57 for "other" members. Police and fire members are assumed to retire at the earlier of 22 years of service or attainment of age 55.
 8. Spouse's Age Wives are assumed to be four years younger than husbands.
 9. Contribution Refunds 100% of those terminating after age 35 with 5 or more years of service will leave their contributions and thereby retain their deferred vested benefit. All others who terminate are assumed to have their contributions refunded.

- | | |
|--------------|--|
| 10. C.O.L.A. | 60% of those receiving retirement benefits will be eligible for C.O.L.A. |
| 11. Expenses | No loading for expenses. |

Valuation of Assets

Based upon the three-year average ratio between market and cost values of the System's assets. Assets are accounted for on an accrued basis.

Valuation of Medical Benefits

Medical benefits for retirees are provided by the payment of premiums from the trust fund. A pre-65 cost and lower post-65 cost (due to Medicare) were assumed such that the total rate for all retirees equals the present premium rate. These medical premiums are then increased with the health inflation assumption until termination or retirement. The actuarial cost method used for funding retirement benefits is also used to fund health benefits.

TABLE 1

William M. Mercer, Incorporated

EMPLOYEE TURNOVER ASSUMPTIONS

Select Rates of Turnover During the First 4 Years of Employment		Ultimate Rates of Turnover After 4 Years of Employment		
<u>Year of Employment</u>	<u>Police & Fire</u>	<u>Police & Fire</u>	<u>Attained Age</u>	<u>"Other"</u>
1	.11	.2000	20	.2500
2	.15	.2000	21	.2500
3	.13	.2000	22	.2500
4	.10	.2000	23	.2500
		.2000	24	.2500
		.2000	25	.2500
<u>Year of Employment</u>	<u>"Other" Males</u>	.1760	26	.2200
		.1520	27	.1900
		.1280	28	.1600
1	.30	.1040	29	.1300
2	.28	.0800	30	.1000
3	.26			
4	.18	.0760	31	.0950
		.0720	32	.0900
		.0700	33	.0875
		.0680	34	.0850
<u>Year of Employment</u>	<u>"Other" Females</u>	.0680	35	.0850
		.0680	36	.0850
1	.40	.0660	37	.0825
2	.35	.0640	38	.0800
3	.28	.0640	39	.0800
4	.20	.0640	40	.0800
		.0620	41	.0775
		.0600	42	.0750
		.0600	43	.0750
		.0600	44	.0750
		.0580	45	.0725
		.0560	46	.0700
		.0560	47	.0700
		.0540	48	.0675
		.0520	49	.0650
		.0480	50	.0600
		.0400	51	.0500
		.0400	52	.0500
		.0400	53	.0500
		.0400	54	.0500
		.0400	55	.0500
		.0400	56	.0500
		.0400	57	.0500
		.0400	58	.0500
		.0400	59	.0500
		.0240	60 & Up	.0300

TABLE 2

Disability RatesAnnual Rates Per 1,000 Employees

<u>Age</u>	<u>Police & Fire Rate</u>	<u>"Other" Member Rate</u>
20	1.93	.60
21	1.95	.60
22	1.98	.61
23	2.01	.62
24	2.04	.63
25	2.06	.64
26	2.09	.65
27	2.15	.66
28	2.20	.68
29	2.26	.70
30	2.31	.71
31	2.37	.73
32	2.42	.75
33	2.48	.77
34	2.56	.79
35	2.64	.82
36	2.72	.84
37	2.83	.88
38	2.94	.91
39	3.05	.94
40	3.16	.98
41	3.30	1.02
42	3.49	1.08
43	3.74	1.16
44	4.07	1.26
45	4.46	1.38
46	4.84	1.50
47	5.25	1.62
48	5.69	1.76
49	6.13	1.90
50	6.60	2.04
51	7.15	2.21
52	7.87	2.43
53	8.75	2.70
54	9.76	3.02
55	11.00	3.40
56	12.62	3.90
57	14.69	4.54
58	16.78	5.19
59	19.80	6.12

2.5(c) DEVELOPMENT OF AVERAGE

EMPLOYER CONTRIBUTION RATE - FY84

ALL MEMBERS

TOTAL SYSTEM

Consolidated Rate

(1) Present Value of Fully Projected Benefits	\$1,241,027,075
(2) Present Value of Accrued Benefits	600,736,308
(3) Present Value of Future Member Contributions and Arrearages	151,845,923
(4) Present Value of Future Consolidated Employer Contributions (1) - (2) - (3)	488,444,844
(5) Present Value of Future Salaries	4,059,346,022
(6) Consolidated Employer Contribution Rate for All Members (4) ÷ (5)	12.03%

Past Service Rate

(1) Present Value of Accrued Benefits	\$600,736,308
(2) Valuation Assets	493,130,953
(3) Total Unfunded Liability	107,605,355
(4) 25-Year Amortization Factor	11.528758
(5) Past Service Payment	9,333,647
(6) Total Salaries	567,157,877
(7) Past Service Rate	1.65%

<u>Total Employer Contribution Rate</u>	13.68%
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STATE OF ALASKA
PUBLIC EMPLOYEES' RETIREMENT FUND
Comparative Statement of Operations

	Fiscal Year Ended	
	June 30, 1982	June 30, 1981
Beginning Equities & Reserves	493,075,440	402,125,897
Additions:		
Employees' Contributions:		
Alaska Commercial Bank	20,585	45,615
Alaska Housing Finance Corporation	42,770	27,633
Alaska Municipal League	4,618	3,852
Alaska, State of	16,515,404	14,067,582
Alaska, University of	1,940,873	1,647,514
Alaska, University of, Geophysical Inst.	141,857	139,038
Alaska Unorganized Borough Schools	(2,871)	(831)
Aleutian Region School District	11,056	9,151
Anchorage, Municipality of	2,664,247	2,308,223
Anchorage School District	1,176,505	1,060,350
Annette Island School District	12,862	11,419
Bering Straits School District	50,839	48,101
Bethel, City of	16,512	15,865
Bristol Bay Borough	15,129	2,500
Bristol Bay Borough School District	18,674	18,945
Bristol Bay Regional Resource Center	886	9,803
Chatham School District	8,433	6,504
Chugach Regional School District	4,182	3,159
Copper River School District	19,544	23,283
Cordova, City of	43,899	41,680
Cordova Community Hospital	24,853	24,667
Cordova Public Schools	13,495	11,013
Craig, City of	3,953	3,024
Dillingham, City of	41,935	20,099
Fairbanks, City of	445,094	395,483
Fairbanks Public Utilities	251,970	186,716
Fairbanks North Star Borough	260,180	211,895
Fairbanks North Star Borough School District	406,147	313,455
Fort Yukon, City of	17,814	6,207
Galena City Schools	12,597	8,847
Haines, Borough of	2,002	384
Haines, City of	17,645	17,100
Hoonah City Schools	12,459	11,963
Iditarod Area Schools	31,800	23,571
Juneau Borough Schools	118,040	96,074
Juneau, City and Borough of	603,918	470,659
Kenai, City of	109,423	93,456
Kenai Peninsula Borough	163,035	132,456
Kenai Peninsula Borough School District	188,838	175,684
Ketchikan, City of	150,185	121,548
Ketchikan Gateway Borough	34,667	31,126

STATE OF ALASKA
PUBLIC EMPLOYEES' RETIREMENT FUND
Comparative Statement of Operations

	Fiscal Year Ended	
	June 30, 1982	June 30, 1981
Additions - Continued:		
Employees' Contributions - Continued		
Ketchikan Gateway Borough School District	21,718	14,092
King Cove, City of	7,583	7,262
King Cove City School District	7,313	3,486
Kodiak, City of	141,193	97,942
Kodiak Island Borough	38,682	31,880
Kodiak Island Borough School District	105,358	83,994
Kotzebue, City of	42,509	22,336
Kuspuk School District	28,983	25,902
Lake and Peninsula School District	29,015	25,042
Lower Kuskokwim School District	188,756	82,866
Lower Yukon School District	83,591	73,278
Matanuska-Susitna Borough	118,090	103,995
Matanuska-Susitna Borough School District	157,151	98,336
Nenana, City of	8,656	3,710
Nenana City Schools	5,361	-0-
Nome, City of	30,756	23,245
Nome City Schools	33,884	32,419
Nome Joint Utilities	21,087	13,728
North Pacific Fisheries Management Council	15,357	8,637
North Pole, City of	23,813	10,327
North Slope Borough	836,704	664,875
North Slope Borough School District	168,640	138,025
Northwest Arctic School District	168,073	141,235
Palmer, City of	28,876	-0-
Petersburg, City of	69,816	43,262
Petersburg General Hospital	21,787	14,458
Pribilof Region School District	13,758	6,911
Railbelt School District	22,120	17,679
Saint Paul, City of	7,014	4,479
Sand Point, City of	9,089	7,390
Sand Point City School District	3,790	1,974
Seward, City of	69,970	53,628
Sitka, City of	131,775	132,202
Sitka Community Hospital	28,282	38,191
Sitka Borough School District	51,170	36,789
Skagway, City of	21,228	6,324
Soldotna, City of	18,938	23,470
South Central Regional Resource Center	611	(4,078)
Southeast Island School District	15,667	10,228
Southeast Regional Resource Center	25,878	13,017
Southwest Region Schools	45,422	35,002
Tanana, City of	636	-0-
Unalaska, City of	92,451	56,312
Valdez, City of	154,200	116,372

STATE OF ALASKA
PUBLIC EMPLOYEES' RETIREMENT FUND
Comparative Statement of Operations

	Fiscal Year Ended	
	<u>June 30, 1982</u>	<u>June 30, 1981</u>
Additions - Continued:		
Employees' Contributions - Continued		
Valdez City Schools	57,597	39,207
Wasilla, City of	8,637	-0-
Western Regional Resource Center	1,571	5,269
Wrangell, City of	40,479	48,193
Wrangell City Schools	9,540	7,601
Yukon Flats School District	21,932	21,900
Yukon-Koyukuk School District	<u>47,649</u>	<u>33,724</u>
Total Employees' Contributions	28,918,210	24,321,437

STATE OF ALASKA
PUBLIC EMPLOYEES' RETIREMENT FUND
Comparative Statement of Operations

	Fiscal Year Ended	
	<u>June 30, 1982</u>	<u>June 30, 1982</u>
Additions - Continued:		
Employers' Contributions:		
Alaska Commercial Bank	57,400	112,339
Alaska Housing Finance Corporation	136,884	84,328
Alaska Municipal League	27,819	19,676
Alaska, State of	51,352,344	42,674,440
Alaska, University of	5,353,130	4,076,206
Alaska, University of, Geophysical Inst.	367,096	325,658
Alaska Unorganized Borough Schools	-0-	-0-
Aleutian Region School District	27,125	23,100
Anchorage, Municipality of	9,013,715	7,471,627
Anchorage School District	3,923,529	3,227,593
Annette Island School District	30,657	30,700
Bering Straits School District	162,796	118,028
Bethel, City of	39,047	18,679
Bristol Bay Borough	39,056	59,176
Bristol Bay Borough School District	43,409	30,468
Bristol Bay Regional Resource Center	1,875	18,329
Chatham School District	19,306	19,605
Chugach Regional School District	3,975	4,992
Copper River School District	64,679	61,694
Cordova, City of	169,105	123,075
Cordova Community Hospital	70,621	84,807
Cordova Public Schools	58,901	38,689
Craig, City of	11,668	7,697
Dillingham, City of	58,900	45,133
Fairbanks, City of	1,567,339	1,207,055
Fairbanks Public Utilities	910,135	655,353
Fairbanks North Star Borough	714,568	566,821
Fairbanks North Star Borough School District	1,128,163	853,351
Fort Yukon, City of	25,566	13,785
Galena City Schools	32,248	20,339
Haines, Borough of	9,092	984
Haines, City of	49,620	37,664
Hoonah City Schools	41,592	38,167
Iditarod Area Schools	74,290	55,073
Juneau Borough Schools	349,253	288,193
Juneau, City and Borough of	1,443,345	1,045,680
Kenai, City of	226,262	169,862
Kenai Peninsula Borough	473,802	321,721
Kenai Peninsula Borough School District	761,380	837,645
Ketchikan, City of	607,229	357,984
Ketchikan Gateway Borough	109,739	96,726
Ketchikan Gateway Borough School District	33,604	26,260
King Cove, City of	16,546	10,914

STATE OF ALASKA
PUBLIC EMPLOYEES' RETIREMENT FUND
Comparative Statement of Operations

	Fiscal Year Ended	
	<u>June 30, 1982</u>	<u>June 30, 1981</u>
Additions - Continued:		
Employers' Contributions - Continued		
King Cove City School District	17,476	9,179
Kodiak, City of	473,174	352,911
Kodiak Island Borough	114,134	121,336
Kodiak Island Borough School District	325,565	291,835
Kotzebue, City of	77,399	43,551
Kuspuk School District	67,572	63,033
Lake and Peninsula School District	98,645	70,770
Lower Kuskokwim School District	456,662	238,611
Lower Yukon School District	223,483	177,744
Matanuska-Susitna Borough	308,258	276,313
Matanuska-Susitna Borough School District	444,877	344,669
Nenana, City of	26,354	11,200
Nenana City School	16,484	-0-
Nome, City of	95,497	49,055
Nome City Schools	111,606	100,530
Nome Joint Utilities	41,632	45,458
North Pacific Fisheries Management Council	41,319	34,011
North Pole, City of	57,486	23,510
North Slope Borough	1,959,373	1,405,884
North Slope Borough School District	383,820	339,984
Northwest Arctic School District	462,011	370,183
Palmer, City of	63,962	-0-
Petersburg, City of	233,951	177,200
Petersburg General Hospital	57,275	46,490
Pribilof Region School District	30,347	16,848
Railbelt School District	55,424	52,580
Saint Paul, City of	20,955	11,574
Sand Point, City of	24,545	19,299
Sand Point City School District	9,830	6,854
Seward, City of	227,951	139,319
Sitka, City of	485,857	386,818
Sitka Community Hospital	106,673	102,737
Sitka Borough School District	187,166	132,352
Skagway, City of	34,894	20,717
Soldotna, City of	57,233	52,647
South Central Regional Resource Center	2,094	552
Southeast Island School District	29,289	23,939
Southeast Regional Resource Center	53,255	22,837
Southwest Region Schools	117,693	90,704
Tanana, City of	1,675	-0-
Unalaska, City of	206,294	141,433
Valdez, City of	328,380	335,442
Valdez City Schools	143,505	97,725
Wasilla, City of	48,909	-0-
Western Regional Resource Center	4,047	13,104
Wrangell, City of	139,090	116,610

STATE OF ALASKA
PUBLIC EMPLOYEES' RETIREMENT FUND
Comparative Statement of Operations

	Fiscal Year Ended	
	<u>June 30, 1982</u>	<u>June 30, 1981</u>
Additions - Continued		
Employers' Contributions - Continued:		
Wrangell City Schools	43,745	30,810
Yukon Flats School District	81,972	55,580
Yukon-Koyukuk School District	<u>126,549</u>	<u>89,152</u>
Total Employers' Contributions	88,332,287	71,832,706
Interest Earned on Reinstatements	348,312	267,258
Net Investment Income	51,408,749	50,366,085
Market Value Adjustment	(16,725,262)	(23,940,261)
Total Additions	<u>152,282,296</u>	<u>122,847,225</u>
Total Equities, Reserves and Additional	<u>645,357,736</u>	<u>524,973,122</u>
Deductions:		
Administrative Expenses:		
Personnel Services	603,038	477,247
Travel	26,326	16,603
Contractual Services	569,761	330,147
Commodities	1,420	1,691
Equipment	4,890	4,214
Capital Outlay	-0-	16,837
Inter-Agency Services	349,200	398,000
System Development	<u>56,321</u>	<u>46,970</u>
Total Administrative Expenses	1,610,956	1,291,709
Employees' Contributions and		
Interest Refunded	7,192,268	7,006,149
Employer Contributions Refunded	12,522	795,864
Medical Benefit Expenses	3,375,646	3,093,546
Retirement Benefits Paid	<u>24,062,537</u>	<u>19,710,414</u>
Total Deductions	<u>36,253,929</u>	<u>31,897,682</u>
Ending Equities and Reserves	<u>609,103,807</u>	<u>493,075,440</u>

Fiscal Year 1982 Public Employees' Retirement System Benefit Payments Breakdown

Membership Categories

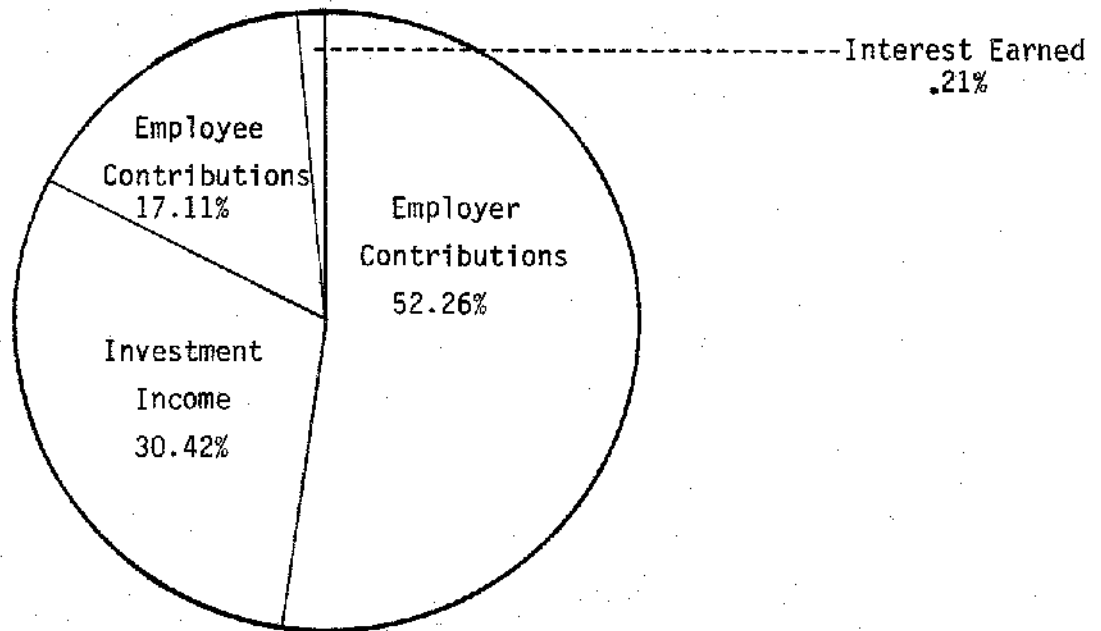
Benefit Type	Totals All Categories	Regular Retirees	Peace Officer Retirees	Firemen Retirees	*Elected Off. Retirees
Base Benefits	\$17,984,351	\$16,291,824	\$1,408,140	\$256,462	27,925
COLA	1,577,725	1,425,432	120,908	22,737	8,648
Widow Annuity	344,585	291,167	30,175	23,243	-0-
Survivor Benefits	230,735	169,779	57,375	3,581	-0-
Disability Benefits	908,252	647,783	199,370	61,099	-0-
PRPA	2,822,003	2,566,161	193,744	49,095	13,003
Voluntary Annuity	3,810	3,407	403	-0-	-0-
Lump Sum Benefit	191,076	161,152	14,126	15,798	-0-
Medical Benefits	3,375,646	3,180,243	131,733	35,128	28,542
Totals by Membership Category	\$27,438,183	\$24,736,948	\$2,155,974	\$467,143	\$78,118

Total Retirees (6/30/82)	3,075
Retirees by Membership Ctgy.	
Average Benefit, by Category	
- All Categories	\$ 8,923

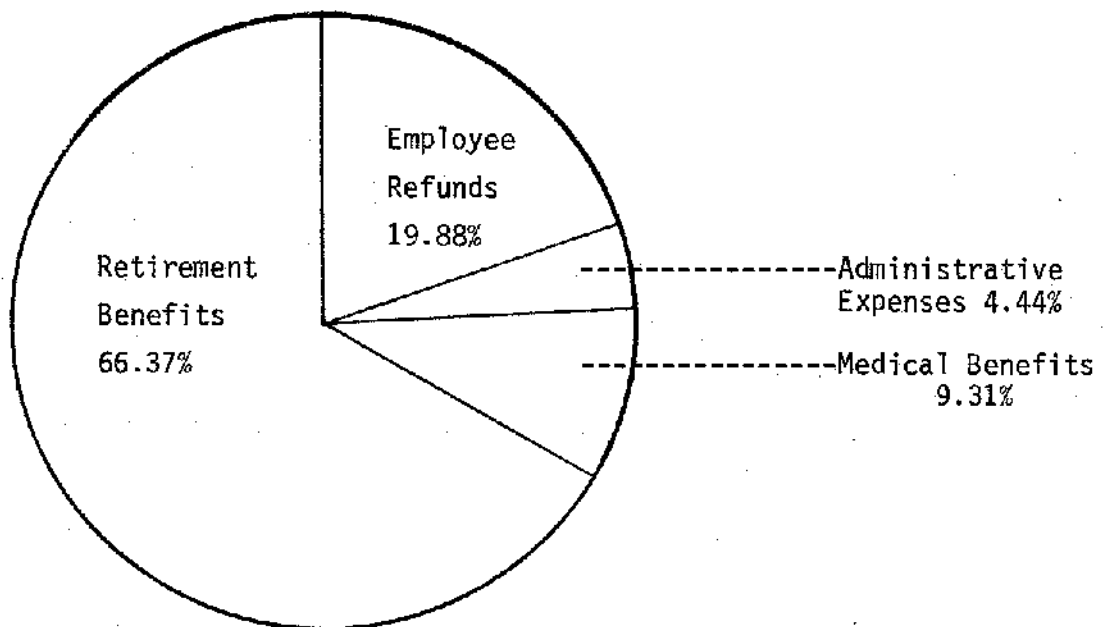
	2,897	120	32	26
\$	\$ 8,539	\$ 17,966	\$ 14,598	\$ 3,004

* Active and Retired Elected Public Officers as of October 13, 1976, were mandatorily transferred to the Elected Public Officers Retirement System (EPORS), which was established by Legislation on January 1, 1976. Under current Legislation, all other elected officials may participate in the PERS or the TRS or do not participate at their option.

State of Alaska
Public Employees' Retirement System
Year Ended June 30, 1982
Income and Receipts
\$169,007,558



Disbursements
\$ 36,253,929



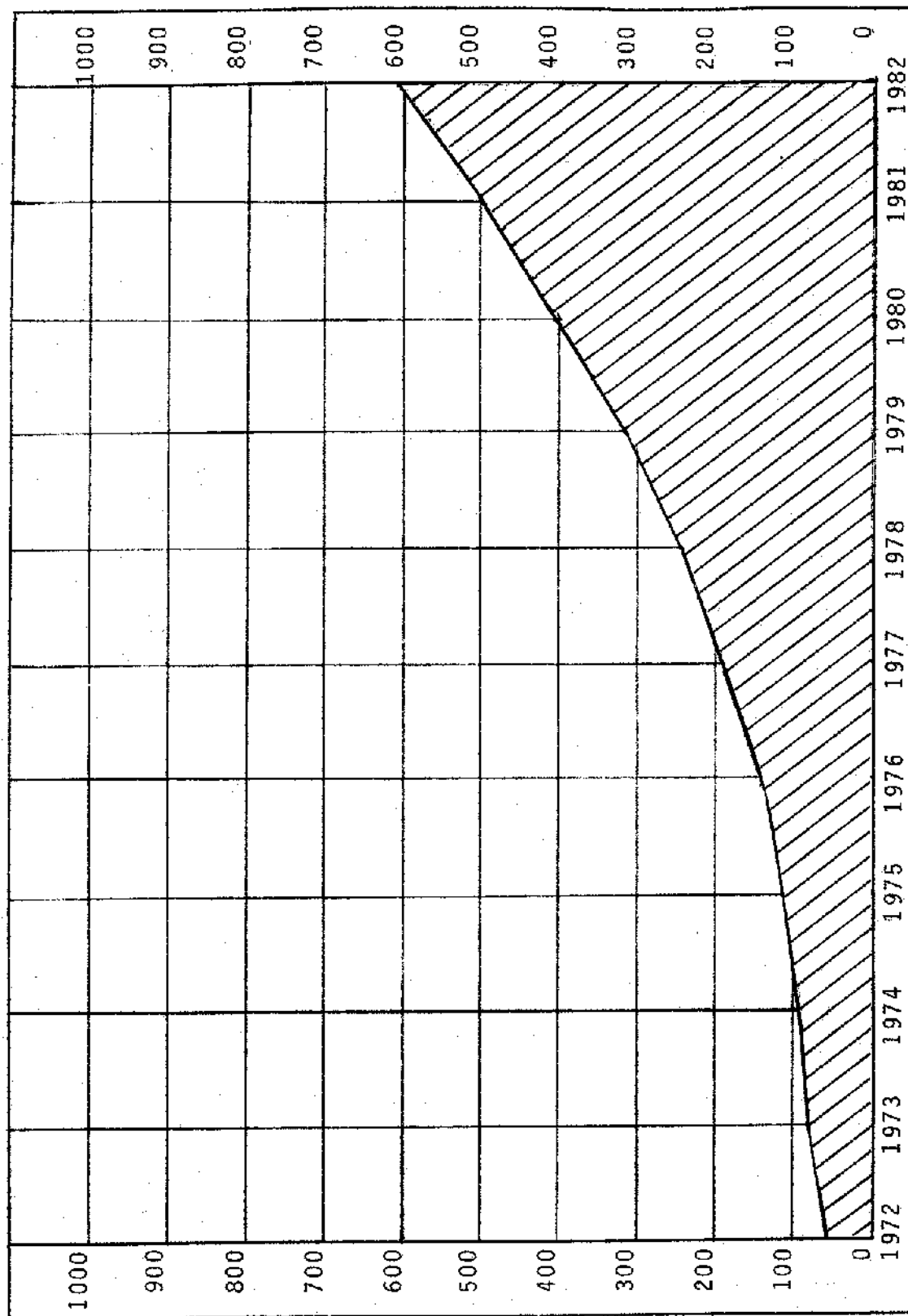
STATE OF ALASKA

PUBLIC EMPLOYEES' RETIREMENT FUND
Historical Data
Fiscal Years 1972 through 1982
(cents omitted)

Fiscal Year	Assets Fiscal Year End	Employers' Contributions During Fiscal Year	Employees' Contributions During Fiscal Year	Benefits Paid Including Medical Expenses & Death Benefits	Employees' Contributions and Interest Refunded During Fiscal Year	Net Investment Income During Fiscal Year
1972	57,285,001	9,957,962	4,677,640	565,551	1,144,434	3,252,779
1973	80,116,285	15,269,037	6,636,276	1,120,276	1,643,831	3,345,726
1974	89,606,549	9,439,931	6,805,053	1,714,642	2,334,265	2,270,806
1975	107,556,336	13,435,344	8,449,474	2,810,321	3,163,052	2,365,398
1976	141,988,644	22,712,558	12,348,074	4,842,542	3,758,719	8,367,857
1977	190,954,572	34,881,182	13,438,538	7,607,162	3,816,748	12,602,465
1978	246,662,043	38,735,575	16,176,433	11,005,738	4,345,592	16,612,594
* 1979	316,675,507	47,613,575	17,631,003	14,947,478	4,978,848	25,177,371
1980	402,125,897	56,236,318	20,898,263	17,775,811	5,759,464	37,489,889
1981	493,075,440	71,832,706	24,321,437	22,803,960	7,006,149	50,366,085
1982	609,103,807	88,332,287	28,918,210	27,438,183	7,192,268	51,408,749

* Figures presented on an accrual basis effective FY 1979.

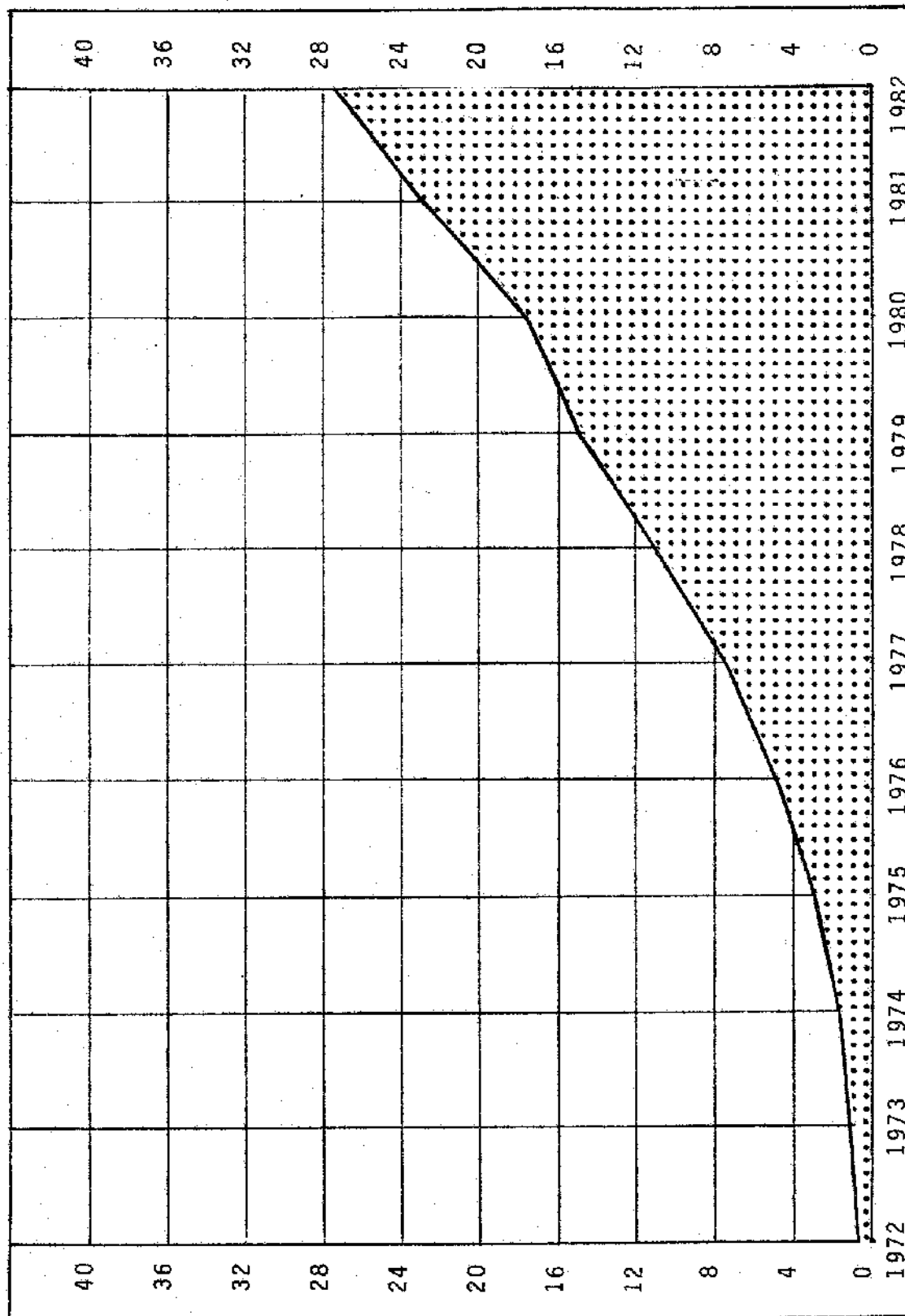
STATE OF ALASKA
PUBLIC EMPLOYEES' RETIREMENT FUND
TOTAL ASSETS
Fiscal Years 1972 through 1982



IN MILLIONS OF DOLLARS

IN MILLIONS OF DOLLARS

PUBLIC EMPLOYEES' RETIREMENT FUND
Benefits Paid
Fiscal Years 1972 through 1982



STATE OF ALASKA
PUBLIC EMPLOYEES' RETIREMENT FUND
Employer Contribution Rates
Fiscal Year 1982

<u>Employer</u>	<u>Percentage</u>
Alaska Commercial Bank	10.57
Alaska Housing Finance Corporation	13.27
Alaska Municipal League	27.53
Alaska, State of	
Police & Fireman	22.35
Regular Employees	12.69
Alaska, University of	11.78
Alaska, University of, Geophysical Institute	11.78
Aleutian Region School District	10.56
Anchorage, Municipality of	14.68
Anchorage School District	14.33
Annette Island School District	10.13
Bering Straits School District	12.10
Bethel, City of	12.12
Bristol Bay Borough	11.89
Bristol Bay Borough School District	14.98
Bristol Bay Regional Resource Center	10.93
Chatham School District	9.73
Chugach Regional School District	3.86
Copper River School District	10.54
Cordova, City of	15.31
Cordova Community Hospital	10.42
Cordova Public Schools	18.55
Craig, City of	13.61
Dillingham, City of	11.10
Fairbanks, City of	16.89
Fairbanks Public Utilities	16.89
Fairbanks North Star Borough	11.96
Fairbanks North Star Borough School District	11.96
Fort Yukon, City of	11.98
Galena City Schools	10.88
Haines Borough	10.89
Haines, City of	11.60
Hoonah City Schools	14.16
Iditarod Area Schools	10.56
Juneau Borough Schools	13.91
Juneau, City and Borough of	10.87
Kenai, City of	10.02
Kenai Peninsula Borough	14.62
Kenai Peninsula Borough School District	14.59
Ketchikan, City of	19.39
Ketchikan Gateway Borough	12.19
Ketchikan Gateway Borough School District	12.19
King Cove, City of	9.37
King Cove City School District	12.59

STATE OF ALASKA
PUBLIC EMPLOYEES' RETIREMENT FUND
Employer Contribution Rates
Fiscal Year 1982

continued -

<u>Employer</u>	<u>Percentage</u>
Kodiak, City of	14.26
Kodiak Island Borough	12.54
Kodiak Island Borough School District	13.78
Kotzebue, City of	9.41
Kuspuk School District	10.49
Lake and Peninsula School District	11.24
Lower Kuskokwim School District	10.80
Lower Yukon School District	11.65
Matanuska-Susitna Borough	12.96
Matanuska-Susitna Borough School District	12.96
Nenana, City of	13.79
Nenana Public Schools	13.07
Nome, City of	13.83
Nome City Schools	14.23
Nome Joint Utilities	8.54
North Pacific Fisheries Management Council	11.53
North Pole, City of	10.57
North Slope Borough	10.56
North Slope Borough School District	10.20
Northwest Arctic School District	11.34
Palmer, City of	14.41
Petersburg, City of	15.15
Petersburg General Hospital	14.71
Pribilof Region School District	11.04
Railbelt School District	11.12
Saint Paul, City of	11.01
Sand Point, City of	11.66
Sand Point City School District	11.88
Seward, City of	14.28
Sitka, City of	15.97
Sitka Community Hospital	10.97
Sitka Borough School District	15.97
Skagway, City of	11.84
Soldotna, City of	11.09
South Central Regional Resource Center	11.39
Southeast Island School District	10.39
Southeast Regional Resource Center	8.50
Southwest Region Schools	10.95
Unalaska, City of	11.20
Valdez, City of	11.25
Valdez City Schools	11.30
Wasilla, City of	11.46
Western Regional Resource Center	10.95
Wrangell, City of	13.71
Wrangell City Schools	19.48
Yukon Flats School District	11.07
Yukon-Koyukuk School District	11.18

STATE OF ALASKA

TEACHERS '
RETIREMENT
FUND

BOARD MEMBERS

<u>Name</u>	<u>Term Expires</u>
Merritt C. Olson, Chairman	January 31, 1983
Jane Gustafson	June 30, 1984
Steve Kinney	January 31, 1984
Harry Purdy	June 30, 1984
Dorothy Wells	January 31, 1985



101 WEST BENSON BOULEVARD
ANCHORAGE, ALASKA 99503
907-279-1424

September 30, 1982

Mr. J. K. Humphreys, Director
Division of Retirement and Benefits
Alaska Teachers' Retirement System

In our opinion, the accompanying statements of net assets available for benefits and of changes in net assets available for benefits, present fairly the financial position of the Alaska Teachers' Retirement System at June 30, 1982 and its changes in net assets available for benefits for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Our examination of these statements was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. The financial statements of the Alaska Teachers' Retirement System for the year ended June 30, 1981 were examined by other independent accountants whose report dated October 8, 1981, expressed an unqualified opinion on those statements.

Price Waterhouse

ALASKA TEACHERS' RETIREMENT SYSTEM
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
JUNE 30, 1982 AND 1981

<u>ASSETS</u>	<u>1982</u>	<u>1981</u>
Cash	\$ 559,777	\$ 1,582,187
Other short-term investments, at market value (cost - \$66,101,804 and \$21,433,197)	67,070,028	21,729,175
Investment securities:		
United States securities, at market value (cost - \$123,457,108 and \$107,247,400)	101,805,475	85,922,770
Other bonds, notes and debentures, at market value (cost - \$25,387,030 and \$26,648,905)	15,922,603	17,713,523
Gold committed on futures contracts, at market value (cost - \$20,905,555 and \$20,905,555)	18,424,049	19,750,310
Common stocks, at market value (cost - \$46,618,259 and \$53,469,697)	44,122,158	56,920,098
Convertible stock, at market value (cost - \$533,880 and \$533,880)	375,000	461,625
Real estate equity fund, at market value (cost - \$25,918,564 and \$21,250,000)	27,451,862	22,694,605
Real estate mortgages and Small Business Administration loans, at cost	156,209,601	134,867,500
Contributions receivable	8,227,497	8,952,431
Investment income receivable	4,430,876	4,064,488
Other receivables	100,000	
	<u>444,698,926</u>	<u>374,658,712</u>
 <u>LIABILITIES</u>		
Accrued expenses	<u>1,170,355</u>	<u>1,405,631</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$443,528,571</u>	<u>\$373,253,081</u>

See accompanying notes to financial statements

ALASKA TEACHERS' RETIREMENT SYSTEM
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEARS ENDED JUNE 30, 1982 AND 1981

	<u>1982</u>	<u>1981</u>
Net assets available for benefits, Beginning of year	\$373,253,081	\$320,314,293
Unrealized decrease in market value of investments held at year end, net	(6,701,194)	(19,017,496)
Additions:		
Employee contributions	21,735,042	18,853,076
Employer contributions and state match	50,856,750	37,653,917
Investment income	30,900,759	39,180,591
Interest on members' indebtedness	672,620	622,790
	<u>104,165,171</u>	<u>96,310,374</u>
Deductions:		
Medical benefits	1,683,098	1,590,476
Retirement benefits paid	21,198,346	18,413,659
Refunds to terminated members	2,974,426	3,172,253
Administrative expenses	1,332,617	1,177,702
	<u>27,188,487</u>	<u>24,354,090</u>
NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR	<u>\$443,528,571</u>	<u>\$373,253,081</u>

See accompanying notes to financial statements

ALASKA TEACHERS' RETIREMENT SYSTEM

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1982 AND 1981

NOTE 1 - ACCOUNTING ENTITY:

The Alaska Teachers' Retirement System is a joint-contributory system created by Alaska statutes effective July 1, 1955. The System was established to provide benefits for teachers and other eligible participants. The Alaska Teachers' Retirement System - Statutes, July 1, 1981 pamphlet details the benefits and the eligibility requirements. Some of the more significant provisions are as follows:

Employee Contributions -

Contributions from members is 7% of their base salary as required by statute. A qualified member may make an additional contribution of 1% of their base salary. The contributions are deducted from the member's salary and remitted to the system by the employer.

Employer Contributions -

Employer contributions are determined by actuarial formula and approved by the Administrator. Current formulas are estimated to be sufficient to fund current service costs and to fund past service costs over thirty years.

Types of Benefits -

The types of benefits provided to members include full and early retirement benefits, disability benefits, major medical benefits, cost of living allowance, death benefits or survivor allowances to qualified members, and other benefits. In addition, members may withdraw their mandatory contributions, plus accrued interest, upon termination.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting -

The System maintains its accounting records on the cash basis of accounting with conversion to accrual for financial statement presentation.

Investments -

Security investments, other than real estate mortgages and Small Business Administration loans, are carried at market value to reflect the asset values of the System as determined by the last quoted sales price at June 30, 1982 and 1981. Investment income consists of interest, dividends and gains or losses generated by the sale of investments.

The investment in gold committed on futures contracts consists of 34,088.545 fine troy ounces which have been hedged through three gold bullion sales contract agreements as follows:

<u>Amount of Fine Troy Ounces</u>	<u>Average Cost of Gold</u>	<u>Settlement Date</u>	<u>Price at Settlement Date</u>
14,550.047	\$662	2/21/84	\$690
15,027.443	\$601	3/5/84	\$660
4,511.055	\$497	6/29/84	\$500

The investment is currently valued assuming forward sales contracts are covered by purchase of additional gold; the profit therefrom offset by any loss on disposal of the then unhedged gold. Any gains and losses are discounted to net present value utilizing a rate of a United States Treasury investment with a maturity approximately equal to the term of settlement date.

Real estate mortgages and Small Business Administration loans are stated at cost. The policy of the System is to hold these investments until maturity and accordingly no market value has been determined.

Contributions Receivable -

Contributions receivable from employees and contributions from employers for service through June 30, 1982 are accrued. These contributions are considered fully collectible and accordingly no allowance for doubtful accounts is considered necessary.

Investment Income Receivable -

Investment income receivable represents amounts earned but not yet received as of June 30, 1982 and 1981. These amounts are considered fully collectible and accordingly no allowance for uncollectible receivables is considered necessary.

NOTE 3 - ACTUARIAL DETERMINATION:

The System's consulting actuary, William M. Mercer, Incorporated, estimated the present value of accrued benefits to be \$492,234,454 at June 30, 1981.

Contributions to the System are based upon recommendations from the actuary utilizing the actuarial cost method described below.

Significant assumptions underlying the June 30, 1981 determinations are as follows:

Actuarial cost method	Attained age normal, also known as Aggregate Method with Supplemental Liability, unfunded accrued benefit liability amortized over 30 years.
Mortality basis	1971 Group Annuity Mortality Table.
Retirement age	Average of age sixty and the earliest age for which unreduced retirement benefits will be available.
Interest rate	Eight percent per annum, compounded annually, net of investment expenses.
Salary scale	Eight percent per annum for the first five years of employment and 7% per year thereafter.
Cost of living adjustment (Domiciled in Alaska)	Forty-nine percent of those receiving benefits will be eligible to receive the cost of living adjustment.
Contribution refunds	One hundred percent of those terminating after age 35 with eight or more years of service will leave their contributions and thereby retain their deferred vested benefits. All others who terminate are assumed to have their contributions refunded.
Asset valuation	Three year average ratio between market and book values of the System's assets.

Turnover and disability assumptions are based upon actual historical occurrence rates of the System.

NOTE 4 - CONVERSION TO ACCRUAL ACCOUNTING AND MARKET VALUATION OF CERTAIN SECURITIES:

The effects of the accrual and market adjustments are as follows:

	<u>1982</u>	<u>1981</u>
Net assets available for benefits, cash basis at June 30	\$465,691,578	\$388,691,786
Adjustments to reflect conversion to accrual basis of accounting:		
Accrued contributions receivable	8,227,497	8,952,431
Accrued investment income	4,530,876	4,064,488
Accrued refunds payable and certain other expenses	(1,170,355)	(1,405,791)
Adjustments to reflect change in market value of marketable securities and gold	<u>(33,751,025)</u>	<u>(27,049,833)</u>
Net assets available for benefits at June 30, as presented in the accompanying financial statements	<u>\$443,528,571</u>	<u>\$373,253,081</u>

NOTE 5 - STATEMENT OF FINANCIAL ACCOUNTING STANDARDS NO. 59:

The Financial Accounting Standards Board has issued Statement No. 59, "Deferral of the Effective Date of Certain Accounting Requirements for Pension Plans of State and Local Governmental Units". This statement delays the effective date of Statement No. 35, "Accounting and Reporting by Defined Benefit Pension Plans" until fiscal year 1983 for this system. The effect of complying with Statement No. 35 would be to present all assets at fair value. It is the present policy of the System to present all investments at market value except real estate loans and mortgages which are presented at cost.

Benefit Services / Consulting Actuaries

SUMMARY

We have completed a valuation of the Alaska Teachers' Retirement System as of June 30, 1981. The principal results of the actuarial valuation are presented in this summary and analysis; the two sections which follow are meant to provide the necessary supporting details.

Section 1 presents the fundamental information on which the valuation was based. Included is a summary of plan provisions, information about plan participants, and disclosure of the actuarial method and assumptions used.

Section 2 presents the detailed actuarial valuation results. Its subsections present a step-by-step derivation of the recommended contribution. In addition, information requested by the auditors of the Retirement System is presented.

The purposes of an actuarial valuation are:

1. To examine the status of funding of the Plan, and
2. To determine the contribution rates for the State for each school district in the System.

The most significant results of the valuation are as follows:

	<u>1980</u>	<u>1981</u>
(1) Status of Funding as of June 30		
(a) Valuation Assets	\$311,417,814	\$389,241,229
(b) Present Value of Accrued Benefits	465,722,763	492,234,454
(c) Accrued Benefit Funding Ratio	66.9%	79.1%
(2) Contributions For Fiscal Year	<u>1983</u>	<u>1984</u>
(a) Normal Cost Rate	11.95%	13.51%
(b) Past Service Rate	4.89%	3.85%
(c) Total Contribution Rate	16.84%	17.36%

In preparing this valuation, we have employed generally accepted actuarial methods and assumptions, in conjunction with employee data provided to us, to determine a sound value for the Plan liabilities.

I certify that, to the best of my knowledge and belief, the attached statements are true and correct.

Respectfully submitted,



Robert F. Richardson, ASA
Vice President/Actuary

RFR:js

February 24, 1982

1.5 ACTUARIAL METHOD AND ASSUMPTIONS

Valuation of Liabilities

- A. Actuarial Method - Attained Age Normal, also known as Aggregate Method with Supplemental Liability. The unfunded accrued benefit liability is amortized over 30 years.
- B. Actuarial Assumptions -
- | | |
|-------------------------|---|
| 1. Interest | 8% per year, compounded annually, net of investment expenses. |
| 2. Salary Scale | 8% per year for the first 5 years of employment and 7% per year thereafter. |
| 3. Health Inflation | 8% per year. |
| 4. Mortality | 1971 Group Annuity Mortality Table. |
| 5. Turnover | Based upon the 1980-81 actual total turnover experience. (See Table 1). |
| 6. Disability | Incidence rates in accordance with Table 2. Post-disability mortality in accordance with rates published by the Pension Benefit Guaranty Corporation to reflect mortality of those receiving disability benefits under Social Security. |
| 7. Retirement Age | The average of age 60 and the earliest age for which unreduced retirement benefits will be available. |
| 8. Spouse's Age | Wives are assumed to be four years younger than husbands. |
| 9. Contribution Refunds | 100% of those terminating after age 35 with 8 or more years of service will leave their contributions and thereby retain their deferred vested benefit. All others who terminate are assumed to have their contributions refunded. |

- | | |
|----------------|---|
| 10. C.O.L.A. | 49% of those receiving retirement benefits will be eligible for C.O.L.A. |
| 11. Sick Leave | 4.7 days of unused sick leave for each year of service will be available to be credited once the member is retired. |
| 12. Expenses | No loading for expenses. |

Valuation of Assets

Based upon the three-year average ratio between market and book values of the System's assets. Assets are accounted for on an accrued basis.

Valuation of Medical Benefits

Medical benefits for retirees are provided by the payment of premiums from the trust fund. A pre-65 cost and lower post-65 cost (due to Medicare) were assumed such that the total rate for all retirees equals the present premium rate. These medical premiums are then increased with the health inflation assumption until termination or retirement. The same method used for funding retirement benefits is also used to fund health benefits.

EMPLOYEE TURNOVER ASSUMPTIONS

Select Rates of Turnover
During the First 3 Years
of Employment

After 3 Years of
Employment

<u>Year of Employment</u>	<u>Males</u>	<u>Attained Age</u>	<u>Rate</u>
1	.12	20	.1500
2	.26	21	.1500
3	.32	22	.1500
		23	.1500
		24	.1500
		25	.1500
<u>Year of Employment</u>	<u>Females</u>	26	.1500
1	.09	27	.1500
2	.11	28	.1500
3	.16	29	.1500
		30	.1400
		31	.1300
		32	.1200
		33	.1100
		34	.1000
		35	.0900
		36	.0800
		37	.0800
		38	.0700
		39	.0700
		40	.0650
		41	.0650
		42	.0650
		43	.0600
		44	.0600
		45	.0600
		46	.0600
		47	.0550
		48	.0550
		49	.0550
		50	.0500
		51	.0500
		52	.0500
		53	.0500
		54	.0500
		55 and Up	.0000

TABLE 2

DISABILITY RATES

ANNUAL RATES PER 1,000 EMPLOYEES

<u>Age</u>	<u>Rate</u>
20	.70
21	.71
22	.72
23	.73
24	.74
25	.75
26	.76
27	.78
28	.80
29	.82
30	.84
31	.86
32	.88
33	.90
34	.93
35	.96
36	.99
37	1.03
38	1.07
39	1.11
40	1.15
41	1.20
42	1.27
43	1.36
44	1.48
45	1.62
46	1.76
47	1.91
48	2.07
49	2.23
50	2.40
51	2.60
52	2.86
53	3.18
54	3.56
55	4.00
56	4.59
57	5.34
58	6.10
59	7.20
60	8.43
61	9.75
62	11.30
63	13.05
64	14.90

2.4 BREAKDOWN OF PRESENT VALUE
OF BENEFITS

	<u>Present Value of Accrued Benefit</u>	<u>Present Value of Fully Projected Benefit</u>
<u>Active Members</u>		
Retirement Benefits	\$153,382,896	\$444,201,216
Termination Benefits	70,584,211	175,973,270
Disability Benefits	8,428,578	13,096,602
Death Benefits	3,536,212	6,863,737
Return of Contributions	8,585,916	13,989,002
Health Benefits	<u>41,112,372</u>	<u>51,886,268</u>
Subtotal	\$285,630,185	\$706,010,095
<u>Inactive Members</u>		
Not Vested	\$ 4,571,772	\$ 4,571,772
Vested Terminations	19,194,920	19,194,920
Retirees & Beneficiaries	<u>182,837,577</u>	<u>182,837,577</u>
Subtotal	\$206,604,269	\$206,604,269
TOTALS	\$492,234,454	\$912,614,364

2.5 CALCULATION OF TOTAL CONTRIBUTION RATE

FOR FISCAL YEAR 1984

Normal Cost Rate

(1) Present Value of Fully Projected Benefits	\$912,614,364
(2) Present Value of Accrued Benefits	492,234,454
(3) Present Value of Future Member Contributions	135,894,993
(4) Present Value of Future Supplemental Contributions	6,166,124
(5) Present Value of Arrearage Indebtedness	16,186,455
(6) Present Value of Future Consolidated Employer Contributions (1) - (2) - (3) - (4) - (5)	262,132,338
(7) Present Value of Future Salaries	1,940,858,418
(8) Normal Cost Rate (6) ÷ (7)	13.51%

Past Service Rate

(1) Present Value of Accrued Benefits	492,234,454
(2) Valuation Assets	389,241,229
(3) Total Unfunded Liability	102,993,225
(4) 30-Year Amortization Factor	12.158406
(5) Past Service Payment	8,470,948
(6) Total Salaries	232,038,272
(7) Past Service Rate	3.85%

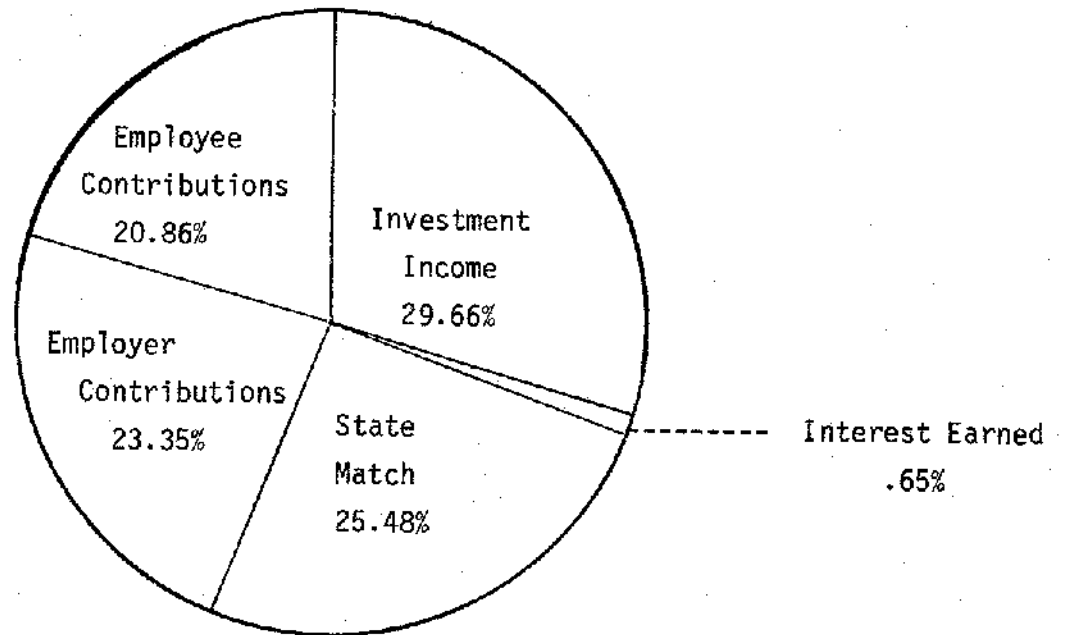
<u>Total Employer Contribution Rate</u>	17.36%
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STATE OF ALASKA
TEACHERS' RETIREMENT FUND
Comparative Statement of Operations

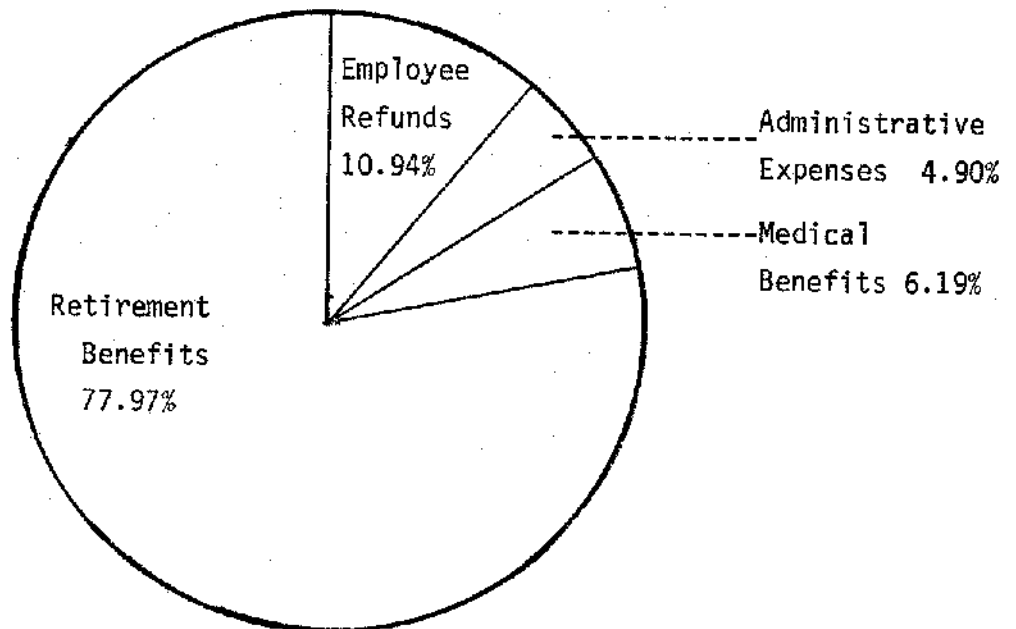
	Fiscal Year Ended	
	<u>June 30, 1982</u>	<u>June 30, 1981</u>
Beginning Equities and Reserves	\$373,253,081	\$320,314,293
Additions:		
Employees' Contributions:		
Mandatory	20,007,066	17,304,520
Supplemental	870,300	759,383
Reinstatement	168,862	127,847
Arrearage	643,328	602,832
Retroactive	45,486	55,043
Retirement Option Payback	-0-	3,451
Total Employees' Contributions	21,735,042	18,853,076
Employers' Contributions	24,318,871	19,209,651
State Contributions - Matching	26,537,879	18,444,266
Net Investment Income	30,900,759	39,180,591
Market Value Adjustment	(6,701,194)	(19,017,496)
Interest Earned on Employees' Indebtedness	672,620	622,790
Total Additions	97,463,977	77,292,878
Total Equities, Reserves and Additions	470,717,058	\$397,607,171
Deductions:		
Administrative Expenses:		
Personal Services	600,165	451,627
Travel	25,998	17,058
Contractual Services	294,670	259,264
Commodities	1,373	1,680
Equipment	4,890	5,118
Capital Outlay	-0-	18,185
Inter-Agency Services	349,200	377,800
System Development	56,321	46,970
Total Administrative Expenses	1,332,617	1,177,702
Employees' Contributions and Interest Refunded	2,974,426	3,172,253

Medical Benefit Expenses	1,683,098	1,590,476
	<u>June 30, 1982</u>	<u>June 30, 1981</u>
Retirement Benefits Paid:		
Base Benefits	15,233,487	13,507,056
Cost of Living Allowance	1,026,307	898,377
Widow Annuity	186,056	125,863
Survivor Annuity	349,804	355,010
Disability Benefits	908,838	799,565
Post Retirement Pension Adjustment	3,365,110	2,726,015
Lump Sum Payments	128,744	1,773
	<u>21,198,346</u>	<u>18,413,659</u>
Total Retirement Benefits		
Total Deductions	<u>27,188,487</u>	<u>24,354,090</u>
Ending Equities and Reserves	<u>443,528,571</u>	<u>\$373,253,081</u>

State of Alaska
Teachers' Retirement System
Year Ended June 30, 1982
Income and Receipts
\$104,165,171



Disbursements
\$ 27,188,487

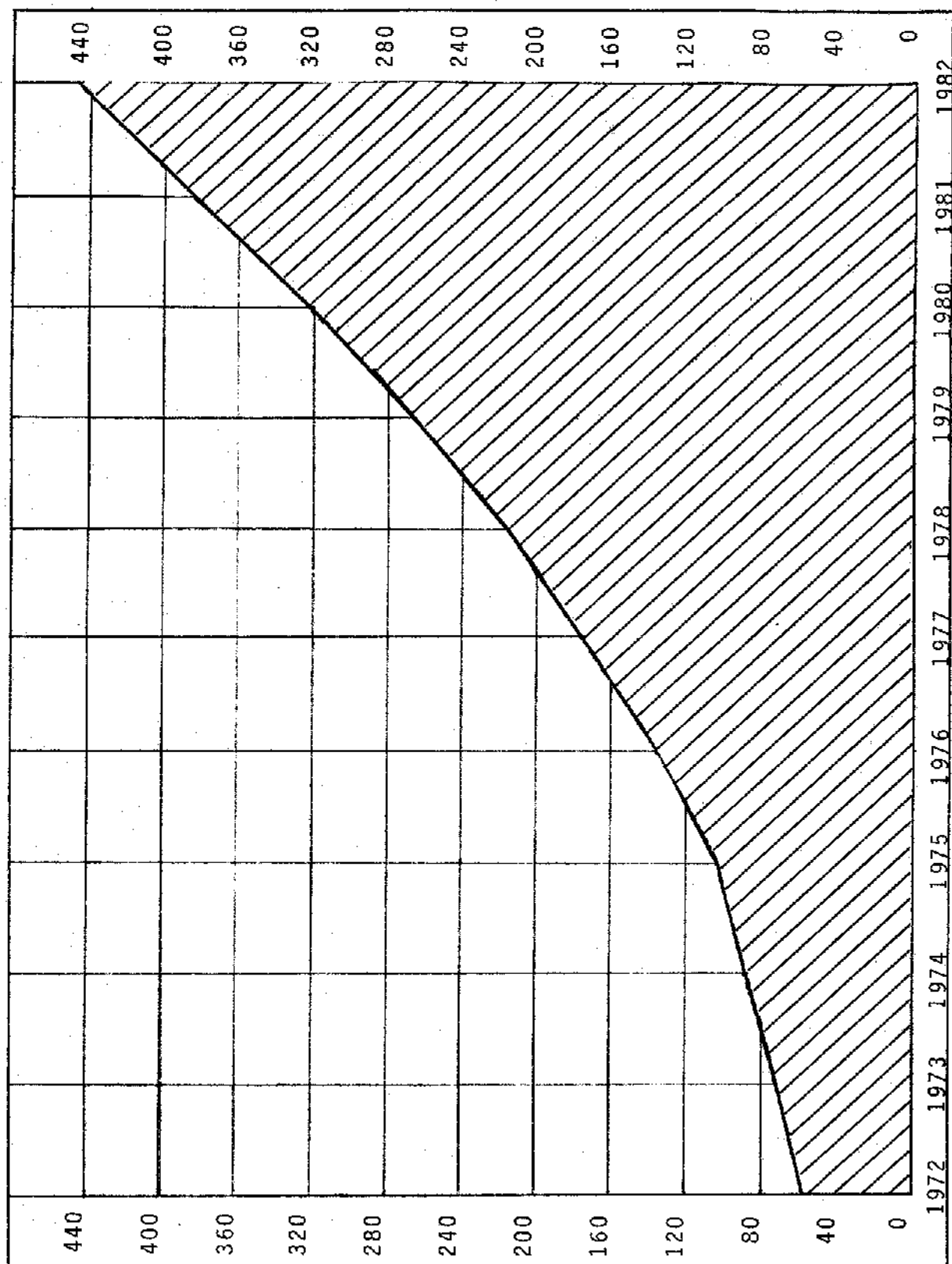


STATE OF ALASKA
TEACHERS' RETIREMENT FUND
Historical Data
Fiscal Years 1972 through 1982
(cents omitted)

Fiscal Year	Assets Fiscal Year End	Employers' Contributions During Fiscal Year	Employees' Contributions During Fiscal Year	Benefits Paid Including Medical Expenses & Death Benefits	Employees' Contributions and Interest Refunded During Fiscal Year	Net Investment Income During Fiscal Year
1972	58,400,298	7,470,707	5,713,570	1,817,534	790,808	2,931,286
1973	73,979,377	9,543,907	6,820,652	2,493,491	1,312,958	3,181,537
1974	89,794,395	8,770,748	8,628,798	3,642,667	1,419,832	4,287,131
1975	105,797,313	11,526,213	9,147,206	4,574,494	1,896,431	1,844,773
1976	137,623,382	19,348,436	11,590,177	6,390,012	1,926,611	9,240,962
1977	177,345,467	24,030,230	12,162,883	8,161,421	1,859,829	13,583,578
1978	215,370,551	19,792,849	15,510,483	11,025,589	2,319,376	16,051,252
* 1979	267,043,332	26,558,644	15,142,057	13,838,067	2,419,936	22,311,725
1980	320,314,293	31,243,171	16,650,594	16,462,399	3,087,910	31,783,301
1981	373,253,081	37,653,917	18,853,076	20,004,135	3,172,253	39,180,591
1982	443,528,571	50,856,750	21,735,042	22,881,444	2,974,426	30,900,759

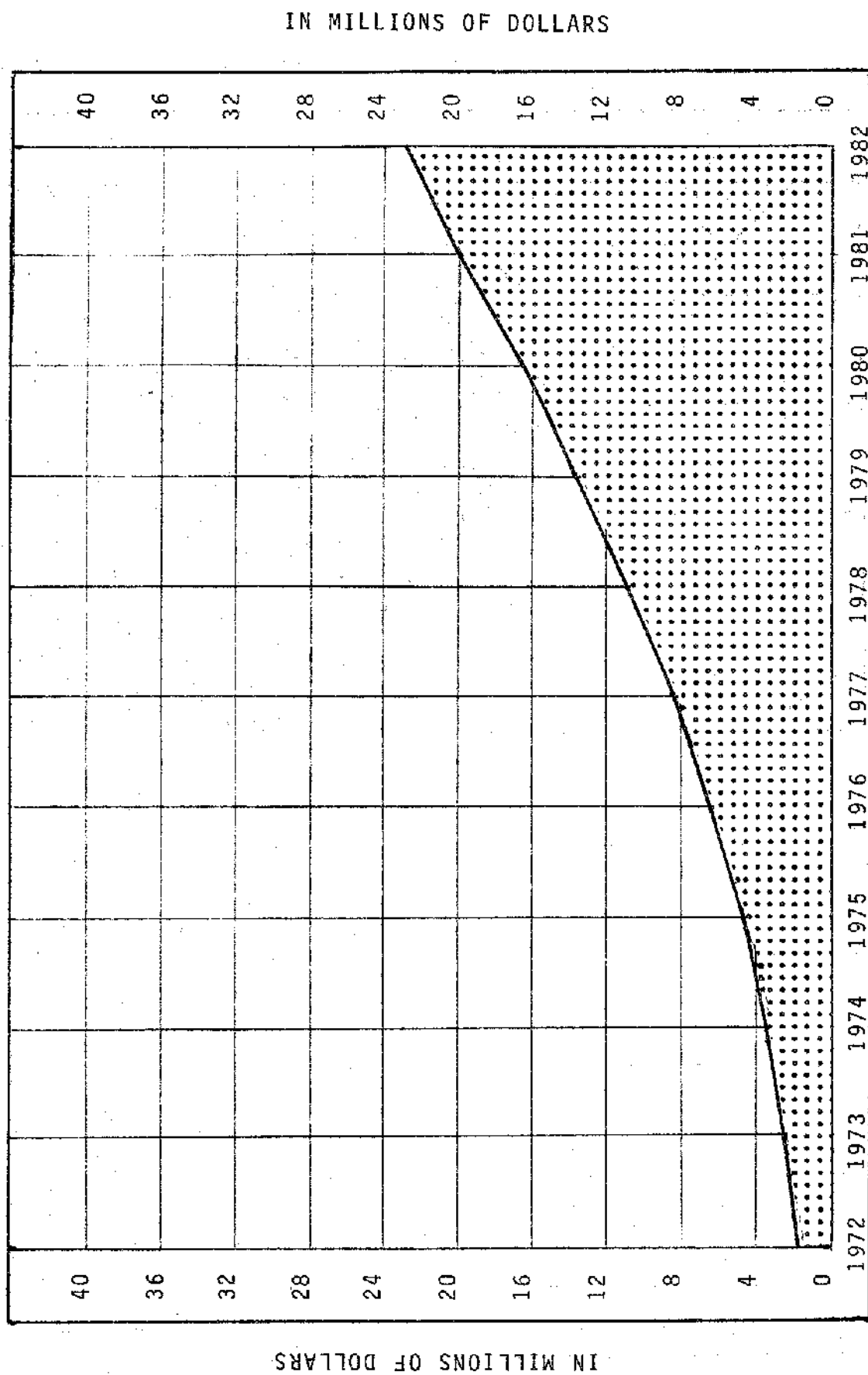
*Figures presented on an accrual basis effective FY 1979.

STATE OF ALASKA
TEACHERS' RETIREMENT FUND
TOTAL ASSETS
Fiscal Years 1972 through 1982



IN MILLIONS OF DOLLARS

TEACHERS' RETIREMENT FUND
 BENEFITS PAID
 Fiscal Years 1972 through 1982



STATE OF ALASKA
TEACHERS' RETIREMENT FUND
Employer Contribution Rates
For Fiscal Year 1982

<u>Employer</u>	<u>Percentage</u>
Adak Region School District	8.42
Alaska Gateway Schools	
Alaska, University of	
Alaska, University of, Geophysical Institute	
Aleutian Region School District	
Anchorage School District	
Annette Island School District	
Bering Straits School District	
Bristol Bay Borough School District	
Bristol Bay Regional Resource Center	
Chatham School District	
Chugach Region School District	
Copper River School District	
Cordova School District	
Craig School District	
Delta-Greely School District	
Department of Education, State of Alaska	
Dillingham School District	
Fairbanks North Star Borough School District	
Galena City Schools	
Haines School District	
Hoonah City Schools	
Hydaburg School District	
Iditarod Area School District	
Juneau Borough School District	
Kake City Schools	
Kenai Peninsula Borough School District	
Ketchikan Gateway Borough School District	
King Cove City Schools	
Klawock City Schools	
Kodiak Island Borough School District	
Kuspuk School District	
Lake and Peninsula School District	
Lower Kuskokwim School District	
Lower Yukon School District	
Matanuska-Susitna Borough School District	
National Education Association	
Nenana School District	
Nome City Schools	
North Slope Borough School District	
Northwest Arctic School District	
Pelican School District	

Same for all Employers

STATE OF ALASKA
TEACHERS' RETIREMENT FUND
Employer Contribution Rates
For Fiscal Year 1982

Continued -

<u>Employer</u>	<u>Percentage</u>
Petersburg City Schools	8.42
Pribilof Region School District	
Railbelt School District	
Sand Point School District	
Sitka Borough School District	
Skagway City School District	
Southeast Islands School District	
Southeastern Regional Resource Center	
Southcentral Regional Resource Center	
Southwest Region School District	
St. Mary's School District	
State Legislature	
Unalaska School District	
Valdez City Schools	
Western Regional Resource Center	
Wrangell Public Schools	
Yakutat School District	
Yukon Flats School District	
Yukon-Koyukuk School District	

----- Same for all Employers -----

ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

SCHEDULE OF INVESTMENTS HELD AT

JUNE 30, 1982

<u>Other Short-Term Investments</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Par Value</u>	<u>Cost</u>	<u>Market Value</u>	<u>Yield</u>
<u>Demand Accounts</u>						
Morgan Guaranty Trust Company			\$ 9,522	\$ 9,522	\$ 9,522	
National Bank of Alaska			2,649	2,649	2,649	
Total Demand Accounts			12,171	12,171	12,171	
<u>Savings Accounts</u>						
Bank of America	5.25		46,002	46,002	46,002	5.39
National Bank of Alaska	5.25		225	225	225	5.25
Total Savings Accounts			46,227	46,227	46,227	
<u>Repurchase Agreements</u>						
Bank of America	11.75	07-01-82	6,900,000	6,900,000	6,900,000	11.75
Morgan Guaranty Trust Company	12.25	07-01-82	1,335,000	1,335,000	1,335,000	12.25
National Bank of Alaska	11.50	Open End	660,000	660,000	660,000	11.50
Total Repurchase Agreements			8,895,000	8,895,000	8,895,000	
<u>Bankers Acceptances</u>						
Citibank	13.76	07-01-82	5,000,000	4,914,025	4,997,979	14.56
Morgan Guaranty Trust Company	13.85	07-02-82	10,000,000	9,773,039	9,991,917	14.56
Citibank	13.74	07-06-82	26,000,000	25,503,858	25,936,950	14.59
Mellon Bank	13.50	07-07-82	4,000,000	3,830,525	3,988,644	14.64
Manufacturers Hanover Trust Company	13.35	08-19-82	5,000,000	4,857,254	4,899,306	14.80
Rahier National Bank	13.05	08-26-82	9,000,000	8,725,975	8,791,238	15.00
Morgan Guaranty Trust Company	13.30	08-26-82	15,000,000	14,534,525	14,652,062	15.00
Manufacturers Hanover Trust Company	13.90	09-27-82	5,000,000	4,801,178	4,821,382	14.99
Total Bankers Acceptances			79,000,000	76,240,379	78,079,478	

ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

SCHEDULE OF INVESTMENTS HELD AT

JUNE 30, 1982

(CONTINUED)

Other Short-Term Investments	Interest Rate	Maturity Date	Par Value	Cost	Market Value	Yield
<u>Commercial Paper</u>						
General Electric Company	13.50	07-01-82	3,233,000	3,233,000	3,233,000	13.50
General Motors Acceptance Corporation	14.50	07-12-82	1,540,000	1,540,000	1,540,000	14.50
General Motors Acceptance Corporation	14.75	07-14-82	2,092,000	2,092,000	2,092,000	14.75
Atlantic Richfield Company	14.75	07-01-82	210,000	210,000	210,000	15.51
General Electric Company	13.25	07-01-82	5,000	5,000	5,000	14.19
General Motors Acceptance Corporation	14.75	07-01-82	1,388,000	1,388,000	1,388,000	15.51
NLT Corporation	14.50	07-01-82	507,000	507,000	507,000	15.19
Tenneco Corporation	14.25	07-01-82	19,000	19,000	19,000	15.34
Total Commercial Paper			<u>8,924,000</u>	<u>8,924,000</u>	<u>8,924,000</u>	
Total Other Short-Term Investments			<u>\$96,947,398</u>	<u>\$94,887,777</u>	<u>\$96,026,876</u>	

UNITED STATES GOVERNMENT SECURITIES

U.S. Treasury Notes and Bonds

U.S. Treasury Notes						
	11.875	09-30-82	\$15,900,000	\$15,881,827	\$15,766,440	14.92
	7.875	11-15-82	2,000,000	1,996,724	1,944,600	15.54
	7.125	11-15-82	2,500,000	2,492,700	2,429,250	14.96
	9.25	08-15-83	10,000,000	9,901,953	9,425,000	14.95
	9.75	09-30-83	5,000,000	5,006,250	4,712,000	14.93
	9.875	11-15-83	26,000,000	25,774,375	24,466,000	14.74
	7.25	02-15-84	7,000,000	7,014,375	6,309,800	14.23
	8.875	06-30-84	15,000,000	14,863,978	13,560,000	14.58
	14.375	11-15-84	10,000,000	10,368,765	10,240,000	12.87
	14.375	11-15-84	10,000,000	10,378,140	10,240,000	12.87
	16.125	11-15-86	15,000,000	16,673,453	12,165,000	23.40
	16.125	11-15-86	15,000,000	16,393,765	10,240,000	23.40
	9.00	02-15-87	13,400,000	16,659,390	12,150,000	23.45
	9.25	05-15-89	10,000,000	13,402,828	10,886,160	14.72
	10.75	11-15-89	1,900,000	10,018,750	7,720,000	14.61
				1,638,906	1,593,720	12.46

ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

SCHEDULE OF INVESTMENTS HELD AT

JUNE 30, 1982

(CONTINUED)

<u>UNITED STATES GOVERNMENT SECURITIES</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Par Value</u>	<u>Cost</u>	<u>Market Value</u>	<u>Yield</u>
<u>U.S. Treasury Bonds</u>						
	7.875	02-15-00	5,500,000	5,634,270	3,355,000	13.83
	8.375	08-15-00	4,000,000	3,963,200	2,526,400	14.02
	7.625	02-15-07	1,000,000	977,500	601,000	13.08
	7.875	11-15-07	6,000,000	5,968,470	3,669,600	13.21
<u>Total U.S. Treasury Notes and Bonds</u>			<u>185,200,000</u>	<u>189,009,619</u>	<u>163,999,970</u>	
<u>U.S. Agencies</u>						
Federal Land Bank International Bank for Reconstruction and Development	8.80	10-21-85	3,750,000	3,784,252	3,153,750	15.06
Federal Home Loan Mortgage Corporation	9.35	12-15-00	750,000	811,875	519,000	14.06
	8.125	03-15-07	855,000	851,527	602,102	11.70
<u>Total U.S. Agencies</u>			<u>5,355,000</u>	<u>5,447,654</u>	<u>4,281,852</u>	
<u>GNMA Mortgage Backed Securities</u>						
		12-15-00 to				
<u>Total GNMA Mortgage Backed</u>	<u>7.50-9.35</u>	<u>10-15-07</u>	<u>20,114,325</u>	<u>20,201,582</u>	<u>12,512,251</u>	<u>12.68-</u> <u>14.06</u>
Amortization of discount				753,095		
<u>Total United States Government Securities</u>			<u>\$210,669,325</u>	<u>\$215,411,950</u>	<u>\$180,794,073</u>	

ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

SCHEDULE OF INVESTMENTS HELD AT

JUNE 30, 1982

(CONTINUED)

OTHER BONDS, NOTES AND DEBENTURES	Interest Rate	Maturity Date	Par Value	Cost	Market Value	Yield
California Federal Savings & Loan	7.375	10-01-82	\$ 2,000,000	\$ 1,930,000	\$ 1,960,600	15.19
Pacific Gas and Electric Company	9.50	06-01-85	1,250,000	1,243,750	1,082,813	15.34
Glendale Federal Savings and Loan	9.35	07-01-89	1,000,000	1,000,000	694,670	16.96
J.C. Penney Co., Inc.	8.875	07-15-95	1,000,000	988,590	565,760	17.39
Pfizer, Inc.	8.50	04-15-99	500,000	470,125	259,275	17.42
General Motors Acceptance Corp.	8.75	02-01-00	1,500,000	1,593,750	862,620	16.05
Pfizer, Inc.	9.25	08-15-00	500,000	493,750	280,815	17.17
Exxon Corp.	8.25	03-01-01	1,000,000	1,027,500	595,000	14.63
Mobil Corp.	8.50	06-15-01	1,500,000	1,515,000	915,000	14.62
General Electric Company	8.50	05-01-04	2,000,000	2,115,000	1,245,000	14.11
Citicorp	11.05	05-01-04	1,500,000	1,500,000	1,344,375	12.43
Texas Electric Service Company	8.875	06-01-05	1,000,000	1,012,830	585,000	15.53
Sears Roebuck Company	8.00	04-01-06	1,000,000	987,500	557,500	14.75
Texas Power and Light	8.25	02-01-07	1,000,000	996,250	547,500	15.40
BankAmerica Corp.	8.35	05-15-07	1,000,000	992,500	570,000	14.96
Commonwealth Edison	8.125	06-01-07	1,000,000	981,250	522,500	15.87
Standard Oil of Indiana	7.875	08-01-07	1,000,000	978,750	521,120	15.45
Duke Power Co.	8.125	09-01-07	1,000,000	968,750	543,030	15.29
Province of Ontario	8.375	09-15-07	1,500,000	1,500,000	887,340	14.45
Central Power and Light	8.25	10-01-07	1,500,000	1,485,000	821,250	15.37
Aetna Life and Casualty Company	8.125	10-15-07	1,000,000	991,250	576,710	14.40
Illinois Power Co.	8.25	11-01-07	1,000,000	990,000	553,950	15.19
Michigan Bell Telephone Company	9.60	10-01-08	1,000,000	1,122,500	626,250	15.51
South Central Bell Telephone Company	8.25	11-01-15	1,000,000	1,000,000	542,500	15.29
Mountain States Telephone/Telegraph Co.	8.00	09-15-17	1,500,000	1,491,075	795,000	15.16
Pacific Northwest Bell Telephone Co.	8.75	08-01-18	1,000,000	1,000,000	574,860	15.27
Total Other Bonds, Notes and Debentures			\$ 30,250,000	\$ 30,435,120	\$ 19,030,438	

ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

SCHEDULE OF INVESTMENTS HELD AT

JUNE 30, 1982

(CONTINUED)

<u>Common Stock</u>	<u>Shares</u>	<u>Cost</u>	<u>Market</u>
Aetna Life & Casualty	15,600	\$ 709,820	\$ 546,000
American Broadcasting	23,000	699,619	882,625
American Telephone and Telegraph	15,700	882,768	800,700
Baker International	19,000	616,471	451,250
CIGNA Corp.	8,534	396,194	290,156
CSX Corp.	12,400	622,077	483,600
Central Telephone Util.	34,800	1,172,980	1,061,400
Dayton Hudson Corp.	5,600	207,648	209,300
Delta Airlines	10,600	347,457	360,400
Diebold Inc.	10,800	667,519	665,550
Dunn & Bradstreet Corp.	11,700	685,228	786,825
E. Systems	2,900	82,006	95,700
Echlin Mfg.	59,700	750,112	746,250
Financial Corp. of Amer.	29,650	354,424	366,919
First Mississippi Corp.	200	4,861	1,650
Genrad Inc.	27,800	559,301	552,525
Houston Industries	26,500	501,248	490,250
E. F. Hutton	26,500	1,060,055	662,500
Int'l Business Mach.	23,100	1,413,908	1,400,438
Johnson & Johnson	19,600	653,868	774,200
Kerr McGee Corp.	19,300	772,564	506,625
Levitz Furniture Corp.	14,100	311,751	357,788
Lowes Companies	77,400	1,244,842	1,122,300
MCA Inc.	4,000	235,628	238,000
MGIC Inv. Corporation	700	20,872	36,400
Mattel Inc.	27,300	436,918	440,213
McDonald Corporation	4,900	340,256	350,963
Merrill Lynch	19,400	561,213	499,550
Motorola Inc.	12,100	676,325	741,125
NCR Corporation	17,000	871,024	894,625
Penney, JC, Company, Inc.	28,100	943,818	1,053,750
Pennzoil Inc.	12,800	651,921	417,600
Raymond Int'l Inc.	18,900	487,190	203,175
Sanders Associates	3,500	167,755	177,188
G. D. Searle & Company	11,900	277,698	422,450
Sears Roebuck	38,000	724,280	736,250
Smithkline Corporation	17,000	1,118,466	1,094,290
So. Carolina Elec/Gas Co.	13,500	216,000	212,625
Southern Cal Edison Co.	36,800	1,128,219	1,122,400

ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

SCHEDULE OF INVESTMENTS HELD AT

JUNE 30, 1982

(CONTINUED)

<u>Common Stock</u>	<u>Shares</u>	<u>Cost</u>	<u>Market</u>
Southern Railways	6,100	525,155	525,363
Southwest Airlines	27,500	772,587	1,120,625
Sterling Drug Company	23,300	550,401	486,388
Superior Oil Company	15,050	507,145	421,400
Texas Air Corp.	33,700	305,937	193,774
Warner Communications	15,600	882,693	752,700
Leaseway Transp. Corp.	10,000	260,900	280,000
Yellow Freight System Inc.	15,000	316,875	193,124
Northwest Airlines Inc.	14,000	377,048	395,500
Crane Co.	6,243	227,420	149,831
Huffy Corp.	14,000	232,481	173,250
Ameritrust Corp.	8,000	250,950	230,000
First National Boston Corp.	9,000	218,799	214,875
Irving Bank Corp.	6,000	299,540	211,500
Manufacturers Hanover Corp.	10,000	293,450	271,250
NCNB Corporation	15,000	196,978	191,250
American Home Products Corp.	11,000	410,850	416,625
Sterling Drug Inc.	12,000	254,460	250,500
Syntex Corp.	7,000	253,961	259,875
Warner-Lambert Co.	18,000	398,500	364,500
Whittaker Corp.	12,000	416,153	261,000
Avon Products Inc.	6,500	256,546	152,750
Chesebrough-Ponds Inc.	15,000	428,283	487,500
Eastman Kodak Co.	10,000	681,925	737,500
Xerox Corp.	17,000	543,048	546,125
Control Data Corp.	19,000	633,534	463,125
Int'l Business Machines Corp.	22,000	1,365,905	1,333,750
Household International Inc.	12,000	218,564	225,000
Cigna Corp.	9,000	456,650	306,000
Travelers Corp.	15,000	317,430	322,500
Dresser Industries Inc.	10,000	210,850	178,750
McDermott Inc.	7,500	136,613	137,812
NL Industries Inc.	8,000	200,800	164,000
Schlumberger Ltd.	10,000	414,660	382,500
Exxon Corp.	11,000	350,740	305,250
Gul Oil Corp.	13,000	542,934	354,250
Kerr-McGee Corp.	4,000	145,330	105,000
Phillips Petroleum Co.	12,000	375,272	357,000

ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

SCHEDULE OF INVESTMENTS HELD AT

JUNE 30, 1982

(CONTINUED)

<u>Common Stock</u>	<u>Shares</u>	<u>Cost</u>	<u>Market</u>
Superior Oil Co.	12,000	335,475	336,000
Texaco Inc.	10,000	294,527	292,500
Dun & Bradstreet Corp.	5,000	303,655	336,250
Lee Enterprises Inc.	10,000	238,509	232,500
Times-Mirror Co.	6,000	235,200	255,000
FMC Corp.	8,000	198,800	200,000
Emerson Electric Co.	8,000	365,864	358,000
General Electric Co.	8,000	419,388	509,000
Continental Group Inc.	11,000	291,292	291,500
Georgia-Pacific Corp.	14,500	393,549	203,000
American Cyanamid Co.	12,000	340,669	327,000
Pennwalt Corp.	6,400	192,544	161,600
General Motors Corp.	11,000	511,475	490,875
Florida Power & Light Co.	14,000	408,200	449,750
Southern Calif Edison Co.	15,000	386,490	457,500
Teco Energy Inc.	20,800	400,194	390,000
American Tel & Tel Co.	11,555	613,717	589,305
General Tel & Elec. Corp.	20,000	582,120	550,000
Payless Drug Stores N.W.	14,400	138,968	219,600
Beatrice Foods Co.	10,000	185,500	193,750
Coca Cola Co.	10,000	320,862	337,500
Colgate-Palmolive Co.	18,000	310,726	303,750
Dart & Kraft Inc.	15,000	733,030	780,000
Nabisco Brands Inc.	5,000	170,650	175,625
 Total Common Stock		<u>\$47,177,075</u>	<u>\$44,617,702</u>

ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

SCHEDULE OF INVESTMENTS HELD AT

JUNE 30, 1982

(CONTINUED)

<u>Convertible Stock</u>	<u>Shares</u>	<u>Cost</u>	<u>Market</u>
Natomas Co.			
\$4.00 CV Pfd C	7,000	\$ 308,000	\$ 203,000
United Technologies Corp.			
\$2.55 CV Pfd	8,000	225,880	172,000
Total Convertible Stock		<u>\$ 533,880</u>	<u>\$ 375,000</u>
<u>Real Estate Equity Fund</u>			
Equitable Life Insurance Co.		\$ 9,991,282	\$10,505,768
Prudential Insurance Co.		6,535,240	6,732,953
Aetna Life and Casualty		8,586,118	9,203,248
John Hancock Life Insurance Co.		7,104,878	7,431,368
Total Real Estate Equity Fund		<u>\$32,217,518</u>	<u>\$33,873,337</u>
<u>Gold Committed on Futures Contracts</u>			
Total Gold		<u>\$25,055,480</u>	<u>\$22,102,446</u>

ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

SCHEDULE OF INVESTMENTS HELD AT

JUNE 30, 1982

(CONTINUED)

Real Estate Mortgages and SBA Loans

<u>FHA Mortgages Service By</u>	<u>Interest Rate Range</u>	<u>Out- Standing Balance</u>	<u>Weighted Average Yield</u>
Alaska Mutual Savings Bank	6.75-8.50	\$ 439,563	7.64
Alaska National Bank	7.50-8.50	385,495	8.19
Alaska Pacific Bank	11.50	940,542	11.50
Alaska Statebank	5.25-11.50	1,479,182	7.46
First National Bank of Anchorage	5.25-9.00	1,404,623	7.49
National Bank of Alaska	5.25-8.50	1,010,971	7.01
Ranier Mortgage Co.	5.75-7.50	808,754	6.84
Washington Mortgage Co.	7.00	822,897	7.00
Total FHA Mortgages		<u>7,292,027</u>	

ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

SCHEDULE OF INVESTMENTS HELD AT

JUNE 30, 1982

(CONTINUED)

Real Estate Mortgages and SBA Loans

<u>SBA Loans Serviced By</u>	<u>Interest Rate Range</u>	<u>Out- Standing Cost</u>	<u>Weighted Average Yield</u>
Alaska Mutual Savings Bank	9.50	68,998	9.50
Alaska Statebank	8.00-10.50	112,708	9.90
First Bank	9.75-10.50	249,794	10.15
First National Bank of Fairbanks	15.75	498,257	15.75
National Bank of Alaska	8.00-11.50	1,167,454	9.31
Peoples Bank and Trust Co.	8.00-9.25	353,829	8.88
Total SBA Loans		<u>2,451,040</u>	

Bureau of Indian Affairs Serviced By

National Bank of Alaska	10.50	<u>965,456</u>	10.50
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Farmers Home Administration Loan Serviced By

National Bank of Alaska	9.75	<u>1,496,743</u>	9.75
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Conventional/Residential Mortgages Serviced By

Alaska Bank of Commerce	8.00-15.75	3,709,163	12.07
Alaska Federal Savings & Loan	9.25-16.50	4,515,770	12.30
Alaska Mutual Bank	9.375-17.25	10,888,426	11.05
Alaska National Bank	9.25-12.00	12,727,760	10.39
Alaska Pacific Bank	9.375-16.50	11,777,597	11.42
Alaska Statebank	9.375-17.00	22,522,425	12.08
AMFAC Mortgage Co.	11.00	479,722	11.00
Arctic 1st Federal Savings & Loan	9.50-12.00	1,063,245	10.48
First Federal Savings & Loan	9.875-16.50	4,913,875	12.34
First National Bank of Anchorage	9.25-16.75	25,663,604	11.50
First National Bank of Fairbanks	9.875-15.75	3,736,080	11.96
First Bank	9.375-11.00	1,239,568	10.01
Home Federal Savings & Loan	9.50-16.00	10,756,472	10.72
Kissell Mortgage Company	9.50-17.375	55,750,519	15.00
National Bank of Alaska	10.50-16.50	1,438,354	12.14

ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

SCHEDULE OF INVESTMENTS HELD AT

JUNE 30, 1982

(CONTINUED)

Real Estate Mortgages and SBA Loans

<u>Conventional/Residential Mortgages</u> <u>Serviced by</u>	<u>Interest</u> <u>Rate Range</u>	<u>Out- Standing</u> <u>Cost</u>	<u>Weighted</u> <u>Average</u> <u>Yield</u>
Peoples Bank & Trust Co.	9.50-11.00	1,657,095	10.32
Peoples Mortgage Co.	10.25-10.50	804,966	10.31
Peninsula Savings & Loan	11.50-12.75	372,309	11.94
Seafirst Mortgage Corporation	9.25-14.875	15,072,010	11.08
Security National Bank	10.75	249,936	10.75
Total Conventional/Residential Mortgages		<u>189,338,896</u>	
Total Real Estate Mortgages and SBA Loans		<u>\$201,544,162</u>	

ALASKA TEACHERS' RETIREMENT SYSTEM

SCHEDULE OF INVESTMENTS HELD AT

JUNE 30, 1982

<u>SHORT-TERM INVESTMENTS</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Par Value</u>	<u>Cost</u>	<u>Market Value</u>	<u>Yield</u>
<u>Savings Accounts</u>						
Bank of America	5.25		\$ 46,167	\$ 46,167	\$ 46,167	5.39
Alaska National Bank of the North	5.25		7,000	7,000	7,000	
Total Savings Accounts			53,167	53,167	53,167	
<u>Demand Accounts</u>						
Morgan Guaranty Trust Company			8,633	8,633	8,633	
Total Demand Accounts			8,633	8,633	8,633	
<u>Repurchase Agreements</u>						
Bank of America	11.75	07-01-82	5,400,000	5,400,000	5,400,000	11.75
Morgan Guaranty Trust Company	12.25	07-01-82	1,032,000	1,032,000	1,032,000	12.25
Alaska National Bank of the North	12.00	Open End	450,000	450,000	450,000	12.00
Total Repurchase Agreements			6,882,000	6,882,000	6,882,000	
<u>Bankers Acceptances</u>						
Citibank	13.76	07-01-82	6,000,000	5,896,826	5,997,576	14.56
Morgan Guaranty Trust Company	13.85	07-02-82	5,000,000	4,886,532	4,995,958	14.56
Mellon Bank	13.50	07-07-82	10,000,000	9,576,275	9,971,611	14.64
Citibank	13.66	07-20-82	16,000,000	15,611,474	15,870,667	14.67
Security Pacific National Bank	13.30	08-19-82	5,000,000	4,857,789	4,899,305	14.80
Continental Ill. National Bank	13.35	09-02-82	10,000,000	9,681,108	9,743,111	14.83
Total Bankers Acceptances			52,000,000	50,510,004	51,478,228	
<u>Commercial Paper</u>						
General Electric Company	14.50	07-12-82	2,238,000	2,238,000	2,238,000	14.50
General Electric Company	14.70	07-14-82	353,000	353,000	353,000	14.70
General Motors Acceptance Corp.	14.10	07-18-82	2,460,000	2,460,000	2,460,000	14.10
General Motors Acceptance Corp.	13.50	07-18-82	2,200,000	2,200,000	2,200,000	13.50
General Motors Acceptance Corp.	14.75	07-01-82	1,397,000	1,397,000	1,397,000	15.50
Total Commercial Paper			8,648,000	8,648,000	8,648,000	
Total Short-Term Investments			\$ 67,591,800	\$ 66,101,804	\$ 67,070,028	

ALASKA TEACHERS' RETIREMENT SYSTEM
SCHEDULE OF INVESTMENTS HELD AT

JUNE 30, 1982

(CONTINUED)

United States Government Securities	Interest Rate	Maturity Date	Par Value	Cost	Market Value	Yield
<u>U.S. Treasury Notes & Bonds</u>						
U.S. Treasury Notes			\$	\$	\$	
	7.125	11-15-82	2,500,000	2,492,700	2,429,750	9.02
	8.00	02-15-83	100,000	100,000	96,900	13.27
	9.25	08-15-83	10,000,000	9,901,953	9,425,000	14.95
	9.75	09-30-83	5,000,000	5,006,250	4,612,000	16.85
	9.875	11-15-83	13,000,000	12,887,187	12,233,000	14.74
	7.25	02-15-84	2,000,000	2,001,000	1,802,800	14.23
	8.875	06-30-84	14,000,000	13,881,791	12,656,000	14.58
	7.25	08-15-84	3,000,000	2,966,250	2,646,000	13.83
	14.375	11-15-84	10,000,000	10,371,890	10,240,000	12.87
	14.375	11-15-84	5,000,000	5,187,500	5,120,000	12.87
	7.875	05-15-86	250,000	250,000	203,500	14.28
	9.00	02-15-87	13,400,000	13,402,827	10,886,160	14.72
	9.25	05-15-89	5,000,000	5,009,375	3,860,000	14.61
	10.75	11-15-89	2,100,000	1,811,469	1,761,375	12.80
U.S. Treasury Bonds						
	7.875	02-15-00	6,500,000	6,659,337	3,965,000	13.83
	8.375	08-15-00	4,000,000	3,963,200	2,526,400	14.02
	7.625	02-15-07	1,000,000	977,500	601,000	13.08
	7.875	11-15-07	4,000,000	3,977,220	2,446,400	13.21
Total U.S. Treasury Notes & Bonds			100,850,000	100,847,442	87,511,285	
<u>U.S. Agencies</u>						
Federal National Mortgage Association	7.55	12-10-84	1,000,000	1,000,000	842,000	15.56
International Bank of Reconstruction and Development	7.65	05-01-87	450,000	447,750	339,300	14.97
International Bank of Reconstruction and Development	9.35	12-15-00	500,000	541,250	345,000	14.11
Federal Home Loan Mortgage Corp.	8.125	03-15-07	855,000	851,527	609,102	11.70
Total U.S. Agencies			2,805,000	2,840,527	2,135,402	

ALASKA TEACHERS' RETIREMENT SYSTEM

SCHEDULE OF INVESTMENTS HELD AT

JUNE 30, 1982

(CONTINUED)

<u>United States Government Securities</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Par Value</u>	<u>Cost</u>	<u>Market Value</u>	<u>Yield</u>
<u>CNMA Mortgage Backed Securities</u>						
Total CNMA Mortgage Backed Securities	7.00 to 8.50	09-15-04 to 07-15-12	<u>19,484,151</u>	<u>19,769,132</u>	<u>12,158,788</u>	
Total U.S. Government Securities			<u>\$123,139,151</u>	<u>\$123,457,108</u>	<u>\$101,805,475</u>	

ALASKA TEACHERS' RETIREMENTS SYSTEM

SCHEDULE OF INVESTMENTS HELD AT

JUNE 30, 1982

(CONTINUED)

OTHER BONDS, NOTES AND DEBENTURES	Interest Rate	Maturity Date	Par Value	Cost	Market Value	Yield
California Federal Savings and Loan	7.375	10-01-82	\$ 1,500,000	\$ 1,492,500	\$ 1,470,450	15.19
Pacific Gas & Electric	9.50	06-01-85	1,250,000	1,243,750	1,082,813	15.34
Glendale Federal Savings and Loan	9.35	07-01-89	1,000,000	1,000,000	694,670	16.96
Diamond Shamrock	9.00	04-01-99	1,000,000	1,020,000	552,460	17.21
Pfizer, Inc.	8.50	04-15-99	500,000	470,125	259,275	17.42
General Motors Acceptance Corporation	8.75	02-01-00	1,500,000	1,593,750	862,620	16.05
Pfizer, Inc.	9.25	08-15-00	1,000,000	995,000	561,630	17.21
Exxon Corporation	8.25	03-01-01	1,000,000	1,027,500	595,000	14.63
Mobil Corporation	8.50	06-15-01	1,000,000	1,010,000	610,000	14.62
Citicorp	11.05	05-01-04	1,500,000	1,500,000	1,344,375	12.43
Texas Electric Service Company	8.875	06-01-05	1,000,000	1,012,830	585,000	15.53
Sears Roebuck Company	8.00	04-01-06	1,000,000	988,750	557,500	14.75
Standard Oil of Indiana	7.875	08-01-07	1,000,000	978,750	521,120	15.45
American Hospital & Supply Company	7.875	08-15-07	1,500,000	1,495,500	858,750	14.10
Duke Power Company	8.125	09-01-07	1,000,000	968,750	543,030	15.29
Province of Ontario	8.375	09-15-07	1,500,000	1,500,000	887,340	14.45
Central Power and Light	8.250	10-01-07	1,500,000	1,485,000	821,250	15.37
Aetna Life and Casualty Company	8.125	10-15-07	1,000,000	991,250	576,710	14.40
Michigan Bell Telephone Company	9.60	10-01-08	1,000,000	1,122,500	626,250	15.51
South Central Bell Telephone Company	8.25	11-01-15	1,000,000	1,000,000	542,500	15.29
Mountain Telephone & Telegraph Company	8.00	09-15-17	1,500,000	1,491,075	795,000	15.16
Pacific Northwest Bell Telephone Co.	8.75	08-01-18	1,000,000	1,000,000	574,860	15.27
Total Other Bonds, Notes and Debentures			<u>\$ 25,250,000</u>	<u>\$ 25,387,030</u>	<u>\$ 15,922,603</u>	

ALASKA TEACHERS' RETIREMENT SYSTEM

SCHEDULE OF INVESTMENTS HELD AT

JUNE 30, 1982

(CONTINUED)

<u>Common Stock</u>	<u>Shares</u>	<u>Cost</u>	<u>Market</u>
Aetna Life & Cas Co.	16,200	\$ 736,603	\$ 567,000
Amer Broadcasting Co.	24,000	724,980	921,000
Amer Tel & Teleg Co.	16,100	893,969	821,100
Baker Int'l Corp.	20,200	655,378	479,750
Cigna Corp.	8,534	366,079	290,156
CS Corp.	12,900	648,205	503,100
Central Tel & Util.	36,000	1,215,089	1,215,088
Dayton Hudson Corp.	5,900	218,772	220,512
Delta Airlines	11,200	366,977	380,800
Diebold	12,000	741,889	739,500
Dun & Bradstreet Cor.	13,000	755,560	874,250
E Systems	3,000	84,834	99,000
Echlin Inc.	63,000	791,556	787,500
Financial Corp. Amer.	34,500	425,072	426,938
General Mtrs. Corp.	10,000	461,300	446,250
Gen Rad Inc.	29,800	599,951	592,275
Houston Industries	25,300	478,550	468,050
E F Hutton Group Inc.	28,000	1,119,394	700,000
Int'l Business Machs	17,200	1,048,351	1,042,750
Johnson & Johnson	20,700	689,707	817,650
Kerr McGee	21,900	881,783	574,875
Levitz Furniture Cor.	14,800	327,228	375,550
Lowes Companies Inc.	79,950	1,316,020	1,159,275
MCA Inc.	4,200	247,409	249,900
Mattel Inc.	30,900	499,893	498,263
Mattel Inc.	5,200	361,088	372,450
Merrill Lynch Co. Inc.	20,400	589,938	525,300
Motorola Inc.	13,100	733,651	802,375
NCR Corp.	17,800	911,991	936,725

ALASKA TEACHERS' RETIREMENT SYSTEM

SCHEDULE OF INVESTMENTS HELD AT

JUNE 30, 1982

(CONTINUED)

<u>Common Stock</u>	<u>Shares</u>	<u>Cost</u>	<u>Market</u>
Norfolk Southern Crp.	12,350	559,486	561,925
J.C. Penney	28,600	970,806	1,072,500
Pennzoil Co.	13,800	701,886	450,225
Raymond Int'l Inc. Del.	21,800	572,250	234,350
Sanders Assoc.	3,600	172,548	182,250
Searle G. D. & Co.	13,500	316,152	479,250
Sears Roebuck & Co.	42,000	800,520	813,750
Smithkline Corp.	18,000	1,184,124	1,158,750
So. Caro. Elec. & Gas	14,200	227,200	223,650
Southern Cal Edison	30,000	919,746	915,000
Southwest Airlines	28,000	796,019	1,141,000
Sterling Drug Inc.	24,900	588,303	519,788
Superior Oil Co.	17,550	586,438	491,400
Texas Air Corp.	39,600	359,393	227,700
Warner Communic Inc.	19,300	1,092,535	931,225
Florida Power & Light Co.	13,000	379,450	417,625
Southern Calif Edison Co.	14,000	357,900	427,000
Teco Energy Inc.	19,800	381,104	371,250
American Tel & Tel Co.	11,555	613,717	589,305
Avon Products Inc.	6,500	256,546	152,750
Chesebrough-Ponds Inc.	13,000	364,109	422,500
Beatrice Foods Co.	10,000	185,500	193,750
Coca Cola Co.	10,000	320,862	337,500
Colgate-Palmolive Co.	17,000	293,548	286,875
Dart & Kraft Inc.	13,000	638,375	676,000
Nabisco Brands Inc.	4,000	136,520	140,500
Payless Drug Stores N.W.	14,400	138,979	219,600
General Tel & Elect. Corp.	16,000	463,140	440,000
Cigna Corp.	7,000	355,716	238,000
Travelers Crop.	12,000	253,944	258,000
Ameritrust Corp.	6,000	192,000	172,500
First National Boston Corp.	7,500	178,969	179,063
Irving Bank Corp.	5,000	250,733	176,250
Manufacturers Hanover Corp.	9,000	264,105	244,125
NCNB Corporation	12,000	157,582	153,000

ALASKA TEACHERS' RETIREMENT SYSTEM

SCHEDULE OF INVESTMENTS HELD AT

JUNE 30, 1982

(CONTINUED)

<u>Common Stock</u>	<u>Shares</u>	<u>Cost</u>	<u>Market</u>
American Home Products Corp.	10,000	373,500	378,750
Sterling Drug Inc.	10,000	212,050	208,750
Syntex Corp.	6,000	217,690	222,750
Warner-Lambert Co.	15,000	332,084	303,750
Whittaker Corp.	10,000	357,131	217,500
Dun & Bradstreet Corp.	5,000	303,795	336,250
Lee Enterprises Inc.	10,000	238,296	232,500
Times-Mirror Co.	5,000	188,870	212,500
Eastman Kodak Co.	9,000	613,860	663,750
Xerox Corp.	15,000	479,160	481,875
Control Data Corp.	13,000	437,289	316,875
Int'l Business Machines Corp.	20,000	1,243,250	1,212,500
Household International Inc.	10,000	182,149	187,500
American Cyanamid Co.	12,000	340,669	327,000
General Motors Corp.	10,000	464,980	446,250
Dresser Industries Inc.	9,000	189,765	160,875
McDermott Inc.	7,000	127,505	128,625
NL Industries Inc.	7,000	175,700	143,500
Schlumberger Ltd.	9,000	374,417	344,250
Exxon Corp.	7,000	224,375	194,250
Gulf Oil Corp.	11,400	489,905	310,650
Kerr-McGee Corp.	4,000	145,330	105,000
Phillips Petroleum Co.	11,000	344,000	327,250
Superior Oil Co.	11,500	318,914	322,000
Texaco Inc.	8,000	235,622	234,000
Crane Co.	6,243	227,420	149,832
FMC Corp.	7,000	173,950	175,000
Huffy Corp.	14,000	232,481	173,250
Emerson Electric Co.	7,000	319,982	313,250
General Electric Co.	7,300	380,835	464,463
Continental Group Inc.	10,000	264,811	265,000
Georgia-Pacific Corp.	14,500	393,549	203,000
Pennwalt Corp.	6,400	192,544	161,600
Northwest Airlines Inc.	12,000	323,184	339,000
Leaseway Transportation Corp.	10,000	260,900	280,000
Yellow Freight System Inc.	15,000	316,875	193,125
 Total Common Stock		 \$46,618,259	 \$44,122,158

ALASKA TEACHERS' RETIREMENT SYSTEM

SCHEDULE OF INVESTMENTS HELD AT

JUNE 30, 1982

(CONTINUED)

<u>Convertible Stock</u>	<u>Shares</u>	<u>Cost</u>	<u>Market</u>
Natomas Co.			
4.00 Conv. Pfd. C.	7,000	\$ 308,000	\$ 203,000
United Tech. Corp.			
2.55 Conv. Pfd.	8,000	225,880	172,000
Total Convertible Stocks		<u>\$ 533,880</u>	<u>\$ 375,000</u>
 <u>Real Estate Equity Fund</u>			
Aetna Life Insurance		\$ 8,065,569	\$ 8,677,662
Equitable Life Insurance		6,357,623	6,830,774
John Hancock Insurance		7,104,878	7,431,369
Prudential Life Insurance		<u>4,390,494</u>	<u>4,512,057</u>
Total Real Estate Equity Fund		<u>\$25,918,564</u>	<u>\$27,451,862</u>
 <u>Gold Committed on Futures Contracts</u>			
Total Gold		<u>\$20,905,555</u>	<u>\$18,424,049</u>

ALASKA TEACHERS' RETIREMENT SYSTEM

SCHEDULE OF INVESTMENTS HELD AT

JUNE 30, 1982

(CONTINUED)

<u>REAL ESTATE MORTGAGES & SBA LOANS</u>	<u>Interest Rate Range</u>	<u>Out- Standing Balance</u>	<u>Weighted Average Yield</u>
<u>FHA Mortgages Serviced By</u>			
Alaska Mutual Savings Bank	6.00-8.50	\$ 693,308	7.62
Alaska National Bank	5.75	29,476	5.75
Alaska Statebank	5.25-8.50	691,577	6.88
First National Bank of Anchorage	5.25-8.50	1,571,787	7.85
First Bank	5.25	22,651	5.25
National Bank of Alaska	5.25-8.00	1,395,243	6.99
Peoples Bank & Trust	7.50	25,636	7.50
Rainier Mortgage Co.	5.25-8.50	585,460	7.60
Total FHA Mortgages		<u>5,015,138</u>	
<u>SBA Loans Serviced By</u>			
Alaska National Bank	8.00	6,330	8.00
B.M. Behrends Bank	10.00	145,302	10.00
National Bank of Alaska	8.00-10.50	<u>1,869,612</u>	8.70
Total SBA Loans		<u>2,021,244</u>	
<u>Conventional/Residential Loans Serviced By</u>			
Alaska Bank of Commerce	9.50-15.00	23,338,292	10.80
Alaska Federal Savings & Loan	10.50	962,975	10.50
Alaska First Mortgage Company	10.00-12.75	3,768,401	10.91
Alaska Mutual Savings Bank	9.50-14.00	16,297,447	12.86
Alaska National Bank	10.50-12.00	3,599,144	11.20

ALASKA TEACHERS' RETIREMENT SYSTEM

SCHEDULE OF INVESTMENTS HELD AT

JUNE 30, 1982

(CONTINUED)

Real Estate Mortgages and SBA Loans

<u>Conventional/Residential</u> <u>Mortgages Serviced By</u>	<u>Interest</u> <u>Rate Range</u>	<u>Out- Standing</u> <u>Balance</u>	<u>Weighted</u> <u>Average</u> <u>Yield</u>
Alaska Pacific Bank	11.25	73,498	11.25
Alaska Statebank	11.00	51,166	11.00
AMFAC (General Electric)	10.625	380,664	10.625
Alaska USA Federal C.U.	10.125-11.00	1,591,468	10.03
Arctic 1st Federal Savings	10.50-10.75	1,029,677	10.73
B.M. Behrends Bank	9.50-16.00	3,326,405	11.86
First National Bank of Anchorage	10.75	992,388	10.75
Home Federal Savings & Loan	10.25	516,653	10.25
Kissell Mortgage Company	15.75-17.00	4,042,645	16.65
Mt. McKinley Mutual Savings Bank	9.25-12.50	3,760,620	10.95
National Bank of Alaska	9.25-17.50	31,426,926	11.05
Peoples Bank & Trust	9.50-16.50	6,635,132	11.13
Peoples Mortgage Company	10.25-10.50	804,967	10.31
United Bank of Alaska	9.375-16.50	15,307,433	12.34
Verex Mortgage Company	13.25-17.75	31,267,318	15.15
Total Conventional/Residential Loans		<u>149,173,219</u>	
Total Real Estate Mortgages & SBA Loans		<u>\$156,209,601</u>	

